



OGTC

Gateway to Apparel Manufacturing in India

Vol. XXXVIII



NEWS LETTER 2023



PMS Uppal
President

Amarjit Singh
Secretary General

Vinit Sethi
Treasurer

Col. S. Kapoor
Director General



FROM PRESIDENT'S DESK

I am indeed very pleased to present you the XXXVIII edition of our bi-annual newsletter. The preceding six months have not only been hectic but very fruitful. Our thrust towards training and skill upgradation took new strides with more members getting enthused to participate in various training initiatives.

The engagement of fresher apprentices under the National Apprenticeship Promotion Scheme of Govt. of India has shown growing participation by the members which is also making them

compliant on one more point.

A new short training module for Operators was initiated in a few member companies and the positive feedback has given us the confidence that in the coming year other member companies will participate very aggressively to train large number of their Operators.

Our flagship event, ICAHT 2022, was a grand success for which I wish to compliment all our members for their active participation. I am hopeful that given the improvement in the Covid environment, our next annual conference will be in an offline mode and look forward to the continued participation of all members. I also take this opportunity to announce that ICAHT-2023 will be held sometimes in Sep- Oct 2023.

The conference was focused on sustainability, and we have decided to move forward on this theme in the coming years. Initiatives are being taken to encourage the members to participate in the programme to identify respective Carbon Footprints and thereafter move ahead to reduce the same. I urge all our member to actively participate in this initiative and vow to leave behind a better and cleaner environment for our future generations.

The expected announcement of PLI 2.0 by the Government, aimed for MSME, will provide a good opportunity for our members to participate and grow in their respective businesses. We are aware that the Economic Co-operation & Trade Agreement with Australia has been launched in end December 2022. In addition, the Government is also going ahead for concluding the FTA with UK at the earliest. These are very positive indications for the future of our apparel industry which will provide an excellent window to improve our exports in line with the aspiration and expectations of Shri Narendra Modi, our Hon'ble Prime Minister.

Presently we are all in the midst of meeting our respective export orders; I am sure that with increased training our productivity will improve thereby contributing to our overall growth.

Finally, I wish all the apparel fraternity along with our members and their employees a very Happy and Prosperous 2023.

PMS UPPAL

President, OGTC





Narendra Goenka
Chairman



Apparel Export Promotion Council

(Sponsored by Govt. of India, Ministry of Textiles)

MESSAGE

As the year 2022 is ending I would like to congratulate all the member exporters for having a fantastic year post Covid 19 wave and ability to bounce back to work once again after such a low.

Friends, I sincerely urge all exporters to be aware of the rising green tariff walls rising across markets and adopt the green circular path. In today's business, sustainability and profitability are closely linked. Sustainability can boost profitability, improve efficiency, develop a positive reputation, and futureproof against regulation. I appeal to all my fellow members to take time to review their practices regularly and find the best ways to maximize sustainability, hope this will be our industry's resolution for 2023.

After the decline of the last four-months, Apparel Exports have again turned positive. RMG exports for the month of November 2022 have shown a positive growth of 11.7% compared to November 2021. Similarly cumulative RMG exports for the period Apr-Nov, 2022-23 is USD 10359.4 million, showing a growth of 7.2% over 2021-22.

RMG exports from India have been witnessing a rough patch in the past few months since most of the traditional markets of Indian RMG including UK, EU and the USA have been witnessing recession and global headwinds, leading to shrinking demand in these countries on one hand and buyers asking for 15% discount on the other. In addition, inflation and rising raw material and freight cost aggravated by the Russia- Ukraine war further adding to the burden. However, after a few months of slip, RMG exports have again turned positive signalling the resilience of the industry to adjust to the prevailing challenges.

The total set target of apparel exports for 2022-23 is US\$ 17.6 billion against which we have been able to achieve more than US\$ 10 billion during April - November 2022. In spite of all the constraints, we shall achieve the level of exports of last year.

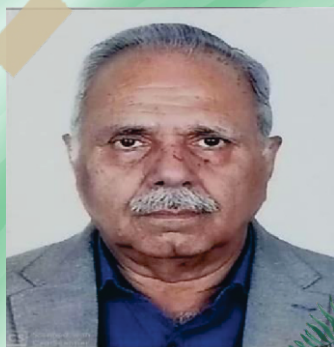
This growth story needs to be continued in light of the government efforts to expedite FTAs in these markets and ensure all tariff lines of RMG sector are covered, which will enable a duty reduction of existing 9.6% in EU & UK and approx. 17% in Canada acting as a strong breather to enhance our price competitiveness in these markets.

Towards further boosting RMG exports, AEPC, have briefed the government about the RMG exports scenario and issues the industry is currently facing. The major issues submitted by AEPC are: Early announcement of the PLI – 2.0 Scheme, Extension of ATUFS, RoSCTL disbursements through bank transfer, Raw material security, Interest subvention of 5%, Request for extension of GST exemption on International Outbound Freight, etc.

Government has been providing proactive support to the apparel sector by taking various measures like continuation of Rebate of State and Central Taxes and Levies (RoSCTL) scheme, Production Linked Incentive (PLI) scheme, PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme etc. These schemes are helpful in the creation of additional capacity. Industry is looking forward to the PLI-2.0 which will be more inclusive and broader in scope for MSMEs.

With a hope for a better tomorrow and sustainable business future for all, wishing you happy new year 2023. Stay happy and healthy!

Why HR technology is crucial for growth of SMEs in India ?



Col. S Kapoor

Director General, OGTC

Micro, Small and Medium Enterprises across India accounted for nearly 27% of India's GDP in the financial year 2021 and its contribution to employment was 40%. What the segment is lacking is the adoption of technology on a large scale. Most of the time, SMEs assume technology execution is a costly affair; however, it's not always. Furthermore, technology like HR software makes the functioning of such enterprises better and hassle-free. Today, there are multiple start-ups which come at an affordable cost and deliver value to small businesses and can be a boon in the textile sector.

Hassle-free recruitment

Like every enterprise, the functioning of HR in an SME firm is crucial. Identifying the right attitude of talent while scaling the skills needed for the right role is challenging. The success of good recruitment can make an employee an asset to the company and similarly, if not chosen carefully, such employees can turn into greatest liability. Here, using HR software that automates the recruitment process makes sense. Such software is useful in bulk recruitment, and it can create recruitment campaigns that reach many competent aspirants and saves time for other productive activities. Likewise, SMEs can think of using HR software to monitor and track new job applications, create payrolls for existing as well as for new employees, create vacancies within the company, perform background checks of potential candidates, and perhaps most importantly allow job applicants to apply online.

Setting Productivity Gains



HR software is also useful in checking employee productivity. Through HR software, businesses can check the workflow of employees easily. It will ensure, every employee is productive and contributes to the needs of the organization. HR Softwares also give the facility of reviewing and appraising employees. Furthermore, it provides a platform where SMEs can share ideas and where employers can deal with employee concerns too. It is a mindset shift but when applied with the right intent can make organizations scalable. The owners of such SMEs can aim to dream big and also expand business opportunities if they use technology to measure their success.

Pay it back through technology

Recruiting through referral is appreciated. In general, people who come through referrals have more chances of doing well in the organization. HR Softwares easily manage referrals and track which employee has referred to a candidate. This information becomes very pertinent for a higher authority to decide whether it wants to recruit a referred candidate or not. The same software can be used for thanking employees who have referred to a candidate. It is important to pay it back to reward loyalty and appreciate collective growth no matter how junior a role.

Managing employees KRAs

Like the above benefits, HR software also comes handy in managing employee KRAs. For an SME to succeed, it should focus on the employees' accomplished projects/work. Through HR software, it is easy to track the productivity of a team or individuals. This will help digital literacy in organizations and make organizations and individuals self-sufficient in managing their jobs and businesses. With growing digital interventions that time is not far when we will only hire digital natives who understand industrial needs and can help save cost in businesses.

Real-time access to manage employee's attendance and data

Managing employee leaves, absences through the HR software is also a smart idea that can be implemented. As often, an HR professional in an SME needs to manage several of such leaves and absence data on a regular basis. The simpler way of using this software to manage employee's attendance is to create an access on the site and ensure it is being updated by the individual employees themselves. Simultaneously, this process can be utilized for other relevant factors including, being in the field, outdoor events, managing time when employees are out for meetings etc. This software also allows the managers to control team productivity and ensure that timely approvals are given online by reducing paper trail or time-consuming approval process. By allowing access to such software, employees can share relevant information which makes them more aligned and loyal to the team and organization.

Conclusion

Every company is different with a different set of requirements. Yet HR remains the core pillar that ensures the ethos and drives the culture of all functioning. Therefore, implementing HR tech software is one of the most efficient ways that must be adopted to sustain maximum ROI, recognition, and retention for the SMEs in India. The textile sector has contributed a lot to growth of exports in India but is behind the curve to countries like Bangladesh and Vietnam as it has not ventured in growing digital, adoption of people processes and business processes. Doing so will lead to sudden change in ways of delivering and outlook to business growth. Therefore, technology is a boon and one should selectively take decision but it is advised not to miss the bus on digital literacy and digitalisation of business and HR.

OGTC WELCOMES NEW MEMBER



M/S TREND SETTERS INTERNATIONAL

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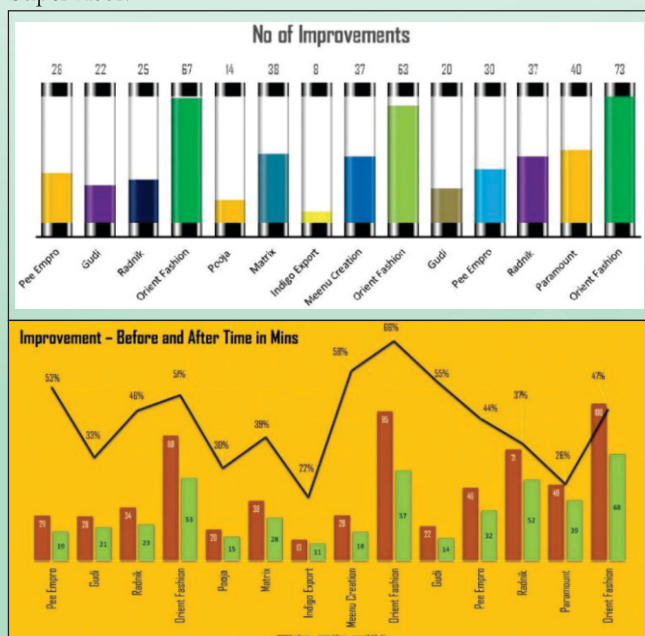
Methods Apparel Consultancy Successfully Implements Supervisor Development Program for OGTC Members

In any manufacturing industry, a good Supervisor can take a firm to incredible heights. Especially in the Garment Manufacturing Industry which is labour-intensive, the Supervisor acts as a bridge between the management and the Operators which are the pillars of the industry. Considering their critical role, the industry needs to have a technically sound Supervisor.

Committed to offering solutions for problems faced by the industry, Methods Apparel Consultancy came up with a special initiative Pro-SDP (Professional-Supervisor Development Program) thereby up-skilling the Supervisors through technology and training.

The program was successfully implemented in one of the prominent clusters in the subcontinent, the Okhla Garment and Textile Cluster(OGTC). METHODS conducted 13 such programs and trained approx. 325 individuals that comprised 70% Supervisors, 15% Asst-Supervisors, 15% Quality IE or Floor-in-charges from prominent Export Houses namely Pee Empro, Gudi Exports, Paramount Products, Meenu Creations, Orient Fashion, Matrix Clothing, Indigo Craft, Radnik Export, Pooja International and Neetee Apparel.

The training spanning a 120 hour program (with 40 hours theory and 80 hours practical training focused on the overall development of Supervisors, giving the man insight into how to deal with real-time problems in a more systematic and structured manner. It is worth a mention that the industry in the past has been focusing more on either targeting the Operator or the Higher Management with little or negligible training provided to the Supervisors. Methods, realizing the importance of the middle management in the Sewn Product Industry thus designed Pro-SDP, keeping in mind the needs and requirements of the Supervisor.

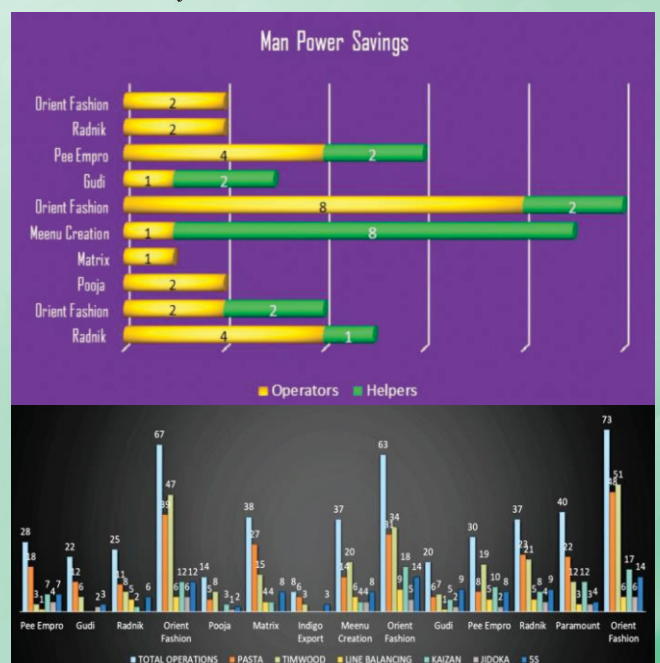


Special Program for Assistant Supervisors



One of the special highlight of the training module was the Assistant Supervisor Development program, with a special batch from Pee Empro Exports where in 25 female sewing machine operators were chosen to be promoted as Assistant Supervisor. The course was specifically customized for this group where a lot of basic knowledge was given and the following topics were additionally taught:-

- Over all flow of the orders
- How a garment factory runs
- What is an assembly line
- Functions of various departments in the garment manufacturing value chain
- Supportive departments and their role
- PP meeting
- Pilot run
- Basics of Quality and role of the Supervisor in this respect
- How to read a measurement sheet
- Under standing a Tech pack
- Customer's perspective
- Productivity and Production



This batch performed really well and the participants did amazing and the factory too was quite happy. As a result, more owners are keen to get this model started in their factories.

Major achievements of the Program

These were measured by implementing concepts such as PASTA, TIM WOOD, 5S, KAIZEN, JIT and JI DOKA that were learnt during the theory training and the achievements and out come were drawn based upon data from reports and analytics on following parameters:-

- Overall average improvement in efficiency
- Average improvement production
- Reduction in Manpower
- Optimising Line balancing efficiency
- Reducing overall absenteeism
- 5 S implementation
- Identifying waste and eliminating waste

Behavioural changes

- **Communication & Motivation:** Improving communication to increase efficiency and motivating operators by encouraging open dialogues to foster an environment of collaborative problem-solving.
- **Team Work:** By designing the training in a team format including practical training in specific areas of the factory, the teams strived to make improvements for their respective teams and constructively competed with each other to achieve their goals.
- **Preventing Absenteeism:** With the Industry grappling with absenteeism for past so many decades, the program also emphasized the need to move on from unauthorized absenteeism to authorized and informed absenteeism.

Training Methodology

The first two weeks focused extensively on strengthening the fundamentals of the Sewn Product Industry, the program started with a general introduction and pre-assessment of candidates to know their capacities, experience and current state to establish their potential learning gaps and to gauge the level of trainees so that the learning pace and subjects can be adapted to their aptitude.

An ice-breaking session was done to establish communication between the participants and the trainer to attain a comfort level. An overview of the complete program was given to all followed by an open session where participants listed down their learning out come from the program. The first module was focused on opening up their minds and inspiring them to become creators rather than followers through a series of videos, activities, and story telling and they became much more receptive to new ideas.

With an open mind they were ready for learning, up-skilling and re-skilling as the roles and responsibilities along with their positioning in the value chain were discussed in detail. They were further engaged through brain storming sessions and activities so they can deliver the best results. Other important aspects covered in this training were Lean Manufacturing, Industrial Engineering and Line Balancing.

It was mesmerizing to see them learning how to calculate operators' capacities, check their efficiencies, and balance their lines through data-driven facts.

They felt empowered and enabled with this newly acquired knowledge and most participants were confident that they can improve their work efficiency through the techniques learnt.



Another eye-opening session was through the Kaizen video that was used to teach them the principles of continuous improvement. Learning and applying the PASTA tool was another simple, yet powerful tool that they used during their practical training to make improvements to their operations.

Line balancing, factory planning, and managing WIP were taught through a simulated computerized game based on the theory of constraints. Designed by Goldratt - The Business Management Guru, the game captivated their interests and taught them about the real factors responsible for achieving targets, how the availability of data and line balancing in real-life scenarios and what are the most important factors to run a profitable organization.

Continuous formative assessments were integral to this program and this was embedded in the training through daily home work and structured assessments from time to time and these regular assessments helped to check the participant's levels or whether they were improving or not.

After the theory training, the Practical sessions were even more intense. The classes were divided into groups of 5 to 6 people and were allocated to specific lines on the shop floor. All the teams worked towards being the best implementing teams and there was an air of healthy competition between all of them. The Trainers hand held and guided each team to make improvements in the lines. There were many challenges during this phase such as absenteeism or at times the interrupted supply chain and other quality issues but together as a team, those were overcome and showed significant improvements to the management.

In general, each team produced videos showing the current method and an improved method for doing the job. Thus, we could quantify the real change that occurred as a result of their efforts. Teams were able to save more than 3 to 4 minutes on each product along with 2 to 3 people which were saved during re-balancing or as a result of method improvements. The line layouts were made better to improve transportation and many examples of 5 S were created by the team. Overall, the participants became more independent and their approach became solution-centric rather than problem-centric.

Each team was evaluated continuously throughout the practical sessions to check on their team management, how they are teaching operators, and their creativity quotient by implementing improved methods on the lines. In case there was a style change, the teams got a chance to practice QCO Principles and bring down the line setting time considerably.

Final presentation by the participants

The learning outcomes were finally presented to the management by the teams and in fact each individual came forward and shared the learning experiences as well as showcased their improvements in Before and After videos. This was a really interactive program which honed their communication skills and it was pleasantly surprising to watch them speak confidently. Their leadership skills were also developed as each team also chose a leader among themselves. Finally, all participants were awarded certificates for successful completion of training.

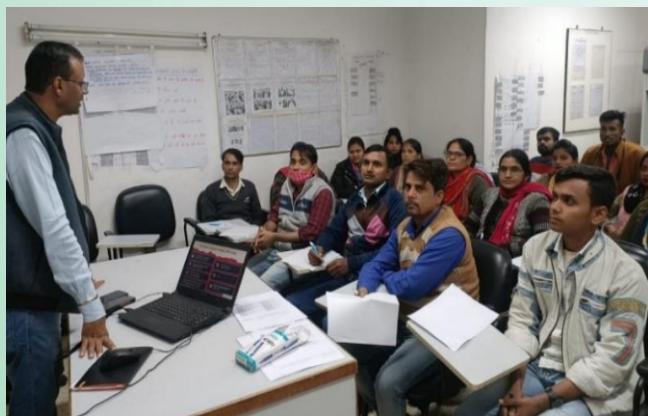
All in all, the ethos on which this program runs is; that there is no best way, there is always a better way or as they say in Hindi; **“Sarvottam mein bhi Sudhar Sambhav Hai”**. This is the philosophy of the program where each person is prepared to make changes and do continuous improvements in whatever task they perform.



OPERATORS TRAINING (PRO- ODP)

BY METHODS APPAREL CONSULTANCY

The Supervisor Development Program (SDP) conducted by Methods Apparel Consultancy was very effective. However, to take it to another level, both the Management of OGTC and Methods, felt that it would be better if the Operators, who happened to be the forerunner in the garment factory, could also understand the concept which Supervisors have learnt.



Hence an Operators Development Program (ODP) is designed by Team Methods to focus on the main learning points relevant to the Operators. ODP is a 3-hour mini-workshop dedicated for the Operators, where we teach them focused learning of SDP which is Methods Improvement, PASTA, TIMWOOD, 5S, Workplace Layout, Needle Running Time, Absenteeism etc.

The following areas are the course's main focus:

- ♦ What is Product, Process and Motion?
- ♦ PASTA – Special tool to improve the productivity
- ♦ Workplace Layout
- ♦ Needle Running time
- ♦ Right First time (RFT)
- ♦ 5S
- ♦ Absenteeism

PASTA - One of the key instruments for unburdening the Operators while standardization of the process across the entire firm. Most people think it takes work to standardize processes in the garment industry because it is labour-intensive. For example, if one Operator completes an operation at an efficiency of 80%, the other Operator will not be able to do so. The standardization in the processes is the cause. To address this, Methods Apparel Consultancy created PASTA, a unique tool. The matrix below summarises the contents of PASTA :-

Pick Up	Align	Sew	Trim	Aside
As Close as possible to needle	As Minimum as Possible	As Long as Possible Eg – 30 cm straight line without Stop	As Automatic as Possible	As Convenient as possible to the next Operator
As Simultaneous as Possible			Suction Cutter	Use Work aid for Automatic disposal
			Fixed Blade for Overlock	Dispose by Sliding.
			Cut Thread with Trimmer in hand	



Workplace Layout: Having a suitable workplace layout is vital. Most often, handling gets worse because of improper workplace design. Methods taught them how to arrange and dispose of the parts through this module to reduce their time.

Needle Running Time: The Only time we make money is when the needle moves.

Through this module, Methods taught them how to increase the needle running time. Methods made them understand that if the Operators were late for 5 mins, what would the effect on the day be? After this Operator understands the value of every minute.

5S - In this module, they learned how to do basic 5s on their workstations. Sample images were shown to them.



Absenteeism : The critical place where all the factories suffer is Absenteeism, and in most cases, unavoidable. So Methods taught them the different types of Absenteeism and ways to take leave in case of need; through this, the Operators understand the importance of informing the leave in advance.

The Operators are the drivers of a garment factory. **ODP** concentrates mainly on the parts where Operators can contribute immensely to the operations by doing small-small things which can increase even the effectiveness of the Supervisors Program. Combining **SDP** and **ODP** we can have huge improvement in the production floor, because everybody would be participating in the improvement process.

An effective improvement is possible when everyone takes part: be it Supervisors, Operators, Quality Checkers, Industrial Engineers etc. In future other levels would also be pulled in so that overall training impact can be increased multi-fold and training becomes a movement to raise the bar of the efficiency in the factory.



During the course of nearly two months, we successfully trained 664 Operators in Noida: -

- a) M/s Orient Fashion Exports - 502
- b) M/s Radnik Exports - 162



OGTC ACTIVITIES 2022

TRAININGS

One of the biggest casualties during the covid time was the loss on account of training of our large work force. Accordingly, primacy was given to this aspect, post covid. OGTC in consultation with M/s Methods Apparel Consultancy has facilitated training modules for Supervisors Development and Operators Development Programme.

In addition, modules for Finishing, Cutting, I.E, Management Development training and Merchandising have also been prepared and will be undertaken in the near future.

The project for engagement of Apprentices under National Apprenticeship Promotion Scheme (NAPS) through M/s Wazir Advisors has also gained acceptance. OGTC members viz. Orient Fashion, Gudi Exports, Paramount Product, Radnik Exports are actively participating in the Scheme. As on date nearly 377 apprentices have been engaged by our members.

MOU WITH HOSPITALS

One of the focus areas of OGTC is to facilitate welfare initiatives for the employees of our members. In recognition of this fact, OGTC negotiated attractive rates for medical checkup, IPD, OPD charges etc. and signed MOUs with Asian Hospital, Faridabad, and Yashoda Hospital, Kaushambi, Ghaziabad on 7th September 2022 and 30th November 2022 respectively.

These MOUs will go a long way to help employees and their families avail highly subsidized medical checkup and other medical facilities.

PRESENTATION ON UNDERSTANDING OF THE SUPREME COURT'S RECENT JUDGEMENT ON EMPLOYEES PENSION SCHEME, 1995



In order to create awareness on the impact of the recent judgement of the Hon'ble Supreme Court of India regarding enhanced pension for EPF members, a special awareness session on Understanding of The Supreme Court's Recent Judgement on Employees' Pension Scheme, 1995 was organized on 29th November 2022. Mr. S.K Gupta, Advocate, leading labour law expert, highlighted various nuances of the judgement. The presentation was attended by large number of HR fraternity from all the member companies.

FLAG DISTRIBUTION

OGTC members celebrated the 75th Independence Day “**Har Ghar Tiranga**” on 15th August 2022. Many members distributed national flags amongst their employees and motivated them to fly the same in their respective homes.



"The Speed of Sustainability Inclusions in Business has risen dramatically in the last few years. It has become more recent in rigor however, it is not new at all. And it's imperative to keep up the pace."

Rajeev Sinha
Co-founder, Onlygood.

onlygood



Sustainability in Business is a recent phenomenon and the world is still gearing towards the workability & feasibility of this concept. At the very basics, Sustainability can be understood as an accountable usage of planetary resources by the current generation, so there is enough allocation addressed for our future generations. One other thing that one must know of is that Sustainability Solutions branches from a much sinister issue- Immensity of Carbon Footprint. This can be better understood by The Third Law of Gravitation- everything that happens, any process that manifests has an equal and opposite reaction. This law fits in the Carbon Footprint in lieu of human activities as- whatever we do, whatever natural/man-made processes commence they all have emissions, which can be scaled in accordance to the Emissions Intensity.

Now that we understand Sustainability and Carbon Footprint, it is important to visualise the effects of these processes on our environment. For example, if you burn a leaf the carbon emission would be very miniscule. But if you burn down a forest, the result would be massive. This is the reason why Sustainability in Business is much more relevant and imperative than individual adaptations. Sustainability in Business is not a change that can be affected in a day. It often begins with acknowledging the urgency of this alteration which will revamp your business and growth models. Sustainability Accounting is one such method that aids your business vision with objective accountability and equips your systems with a competitive advantage. Introducing any idea, a global trend in your business operations is seemingly a difficult operation to undertake.

However, it is not very far fetched! The correct manner in which matters of Sustainability should be incorporated in your business is to first identify the issue. And this can be achieved by introducing objective methods of Accounting in the enterprise's strategy model- data collation, data onboarding, data analysis within the purview of various protocols in place like the SDG Regulations, BRSR, GRI etc. (Emerging mandates in Sustainability Reporting Protocols). This analysis is further studied to understand the imminent hotspots in the business operations & Stakeholder Crosstabs. There are various benefits of conducting the Sustainability Audit for your company- identification of hotspots enables you to charge solutions which provides you with a reputation of being transparent and accountable.

This further enhances upon consumer loyalty, partners & stakeholders trust, opens up a series of investing and other opportunities, aids in employee retention and the growth charts can improve tremendously within a short span of time. ESG (Environmental, Social, Governance) Reporting or Sustainability Reporting is slowly gaining pace in the Global Trading Forums. Many countries (recent developments in EU, US etc.) are now adopting laws that mandate Carbon Disclosures for exporters and buyers. For all manufacturing units and exporters, Sustainability Accounting is emerging as a must and in my opinion, in the next 5 years it'll become a global mandate in trade.

If you want to improve, you need to measure and quantify! This phenomenon is called the Hawthorne effect simply states that when subjects of an experimental study are motivated and attempt to change or improve their behavior simply because it is being evaluated or studied.

This is a welcome development and it is important to be aware of this emergence to have a competitive advantage over your peers. And it is all the more important to seek expert solutions to minimize errors and move in the direction of unperturbed growth. Onlygood is one such platform which enables hassle free data on boarding and inspires Sustainability Solutions for your business from a holistic viewpoint. Automation, AI-enabled, Blockchain, ERP Integration and other cutting edge features often aid the process of Sustainability Inclusion and strengthens the pillars of an enterprise from the bases. It is always an excellent notion to utilise technological advancements for efficient support and adequate results.

ONGOING DIGITISATION OF FASHION SUPPLY CHAIN PROCESSES: THE ONLY WAY TO MEET NEXT-GENERATION CONSUMER DEMANDS

MR. DAVID LUSH, DIRECTOR, DIGITAL SOLUTIONS AT COATS DIGITAL

Each business needs to continually look at their end-to-end processes – as well as their buyers' needs – to identify which technologies need to be brought in or adapted, to overcome the existing key challenges quickly.

There remains little doubt that changing consumer behaviour enabled by technology and online retailing is driving massive change throughout the entire fashion supply chain.

To date, brands and manufacturers have responded with varying degrees of urgency to address ongoing supply chain challenges around speed, cost, customisation, order complexity, innovation and transparency.

Current strategies have included the pursuit of lower cost manufacturing regions (now with far fewer options); vertical integration or Joint Venture activity (JV) – a partnership between two separate companies offering different capabilities; and Vendor Managed Inventory (VMI) programmes – where brands or retailers manage their stock and automatically replenish based on sales.

These strategies will certainly help – but digitisation is increasingly being acknowledged as a vital ingredient.

In terms of systems, most garment manufacturers face the challenge of disjointed systems and far too many 'gaps' in the process, that are currently filled by manual documents such as excel, e-mails etc., to cope with the demands. The only way to achieve true speed and efficiency is to eliminate these manual 'disconnects' from the business process and ensure proper planning procedures are in place that provide true visibility and greater collaboration across departments.

It would greatly simplify things if there was a 'one box' IT solution for all your system needs; but the reality is that there is no one application on your mobile phone that covers everything; there is no overarching software solution available that can fulfil the majority of your requirements.

Most companies starting out on their digital transformation path believe that an ERP system – or ERP upgrade – will provide a single, all-encompassing solution for businesses as it appears to offer so much of what is required – including a long list of available modules focused on: finance, sales orders, production orders, purchase orders, inventory and human resources.

It should be remembered, however, that many ERP systems were originally developed to meet the needs of a wide range of businesses – from brand/retail and manufacturing, to automotive, food and consumer goods – and have only recently been adapted for use in the fashion supply chain.

It is not surprising, therefore, that they don't often support the total requirements of a high-style-variation, volatile and fast changing apparel, footwear and textiles sector. The reality is that a modern apparel factory will require at least four or more 'best of breed' solutions to meet all its business requirements.

When selecting manufacturing equipment, it is quite normal to choose the right machine for the job from the best supplier of that product – whether it's a lockstitch, multi-needle or chain stitch machine; a seam sealing machine or a laser cutter. All these machines require different engineering processes and the best machines usually have been developed over many years to make them the best in their class.

With this in mind, if a supplier comes to you and claims to be able to supply all of these capabilities in one machine, you would certainly laugh them quickly out of your office.

All the companies with only one ERP system have realised that they are still using a plethora of other manual tools, such as spreadsheets and e-mails to manage numerous critical business areas, such as capacity planning (sewing, cutting, embroidery, printing, washing etc.); aligning production schedules with material availability; managing pre-production processes; costings and WIP tracking.

It is these varied and numerous manual elements that provide a real barrier to digitisation, automation and speed, and continue to cause key challenges for fashion supply chain providers.

All factories have good days and bad days – and on those bad days, they often lose efficiency due to production stoppages or additional unplanned style changes.

Most businesses we meet for the first time will state that one of their biggest headaches is material availability. If we could ensure materials are supplied to better match the plan, apparel manufacturers could significantly improve productivity. So, despite having an ERP that appears to provide materials control including BOM creation, purchase orders, logistics and inventory control; the warehouse still faces huge challenges to match material supply with production requirements, nonetheless.

After doing further root cause and process analysis, we can usually trace these problems back to slow or inaccurate planning, where materials are usually ordered before the planning process is complete. On top of this, the material request date is often inaccurate or unrealistic.

For a business with no digital systems onboard, or only a very simple order processing or finance package, the choice of where to start their digitisation journey can certainly be overwhelming – especially since they are often being told what to invest in by different brands. They are consequently often left wrestling with a decision based on what they believe they should invest in.

Identifying your digitisation needs early on

It is, therefore, imperative that fashion supply chain businesses identify what business processes they need to address from the very start.

Ultimately, you need to ask what you want to achieve and what the desired outcomes are? What business processes are really causing you most of your headaches and problems? What business processes are stopping you from achieving your own or your customers' KPIs? What are your priorities right now?



Are you wanting to immediately increase your OTDP/OTIF? Improve your plan vs. actual? Or your Ship-to-Cut percentage? Or is your priority reducing lead times by removing buffers?

Each business needs to look at their end-to-end processes, and their buyers' needs, to identify where they have the greatest pain, and, thereby quickly ascertain where the potential for immediate improvement is greatest.

Fashion manufacturers also have to choose their solution partners wisely – ideally partnering with specialists in both fashion, as well as their area of

expertise and discipline. You can do this through your own research or word-of-mouth recommendations, that can be researched further online by reviewing each company's testimonials and case studies and checking how recent these are.

Digital Transformation is not the goal, but merely an approach – accompanied by specific tools – that enables faster, more efficient and flexible processes to be embedded in your organisation. Digital transformation is also a journey with a start, but no finish.

The truth is that each business needs to continually look at their end-to-end processes – as well as their buyers' needs – to identify which technologies need to be brought in or adapted, to overcome the existing key challenges quickly. This process needs to be treated as a continuous improvement cycle – and assessed season after season, year after year.

We will all have to accept that supply chain digitisation is an ongoing process. Even those that attain some sort of closed loop ecosystem will still need to add, remove, tweak and re-assess continuously, to ensure they can adequately meet the fast-changing demands of the future consumer.

A good digital transformation programme is ultimately a constantly evolving entity that is never put to bed.

SKILL UPGRADATION OF MERCHANDISERS



Ms. Pooja Makhija, Director
Fashion Futures Consultants Pvt. Ltd.

Merchandisers play a vital role in a company, as the profit a company makes can be affected by how successfully they manage their work. Merchandisers coordinate various functions like buying the raw material (required to finish the product), production, finishing, documentation and finally shipping. They require an equal balance of analytical skills and creativity. Merchandisers are in a unique position because they are often the common denominator for many decisions within an organization, working with diverse teams from suppliers to designers, sewing machine Operators and many more.

However, most of the work done by the merchandising team tends to be very subjective and repetitive in nature. If done without the application of deep practical knowledge and understanding it is regarded as a "postman's" job. Consequently, merchandisers must keep up with the latest innovations in order to keep their fashion brand competitive, from trend relevance to consumer satisfaction. Innovative technologies can further boost a brand's sustainability, agility, and transparency with the help of technologies like on-demand production, blockchain and RFID tags to name a few.



Since success of any organization relies on their most critical resource – “people”—with the backing of the right structures, systems, and skills; organizations must make the best of their people so that they can realize their strategy today and sustain performance in the future. Our current world is constantly evolving in terms of technology and many other challenging but innovative ways. Having the ability to face these new challenges head-on will not only develop the company as a whole but also those who work within it. Thus, organizations must take key action to reimagine merchandiser's workload and its purpose in the future.

The need of the hour is a hybrid training module for merchandisers. One that must equip merchandisers, both novices and experienced, with in depth technical knowledge on various relevant topics along with systematic MIS formats to make them more efficient in their day to day working and in turn in creation of a more effective organisation.

A capable merchandiser must have diverse skill set, right from behavioural skills to time management, problem solving techniques, interpersonal management along with a strong foundation of core knowledge. Having such expertise will not only provide the merchandiser a better understanding of day-to-day challenges, but also embed transformation disciplines and offer best possible solutions for a balanced growth and efficiency.

To achieve this goal, a befitting skill gap analysis need to be done to identify if and where the skill gaps exists within the team or organization. It will also help determine whether these skills gaps are small enough to be bridged through employee upskilling and reskilling. Once the skill gaps are identified, a tailor-made training program must be planned and scheduled within the organization for enhancing competencies.

GLIMPSES OF CSR ACTIVITIES AT OGTC MEMBER COMPANIES

AT M/S ORIENT FASHION EXPORTS

CHRISTMAS CELEBRATION



DIWALI CELEBRATION



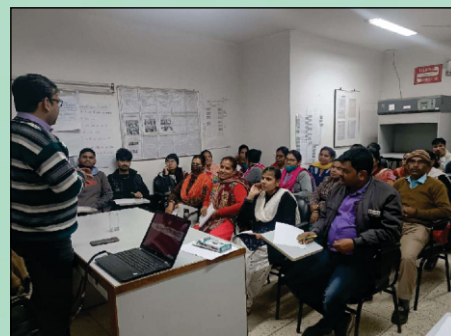
EYE CHECKUP CAMP AT M/S GENUS APPAREL LTD



EYE CHECKUP CAMP AT M/S PEE EMPRO EXPORTS



WORLD AIDS DAY AT M/S RADNIK EXPORTS



INDO-AUSTRALIA ECTA AGREEMENT: WHAT DOES IT MEAN FOR INDIAN GARMENT INDUSTRY?

Dr. Tamanna Chaturvedi, Dy. Secretary General, AEPC

Introduction



Share of India in global apparel exports have been in the range of 3-4% during past many years. Notably, Indian RMG sector have not been able to take advantage of fall in China's share. At the same time competing countries including Bangladesh, Vietnam and Turkey have been making a considerable movement. This is primarily due to the duty advantages faced by India against competitors in the major overseas destinations. For instance, India's exports face a duty disadvantage of 9.6% for exports to

EU and UK vis-à-vis exports from other countries like Bangladesh, Cambodia, Turkey, Pakistan, Sri Lanka etc. Similar disadvantages are witnessed with Canada (17.5% differential vis-à-vis Bangladesh and Cambodia).

Situation of Indian RMG has been similar in case of Australia. Australia is the largest apparel importer in the southern hemisphere. It has historically developed reliance on China for its major textiles and apparel imports which accounts for 74% share in the T&A imports of Australia. Despite that fact that RMG imports into Australia has been on rise for past many years with an import value peak reaching to 7388 USDmn in 2021, share of Indian RMG in total garment imports have been hovering around 3-4%. This has primarily been due to Bangladesh, Cambodia & China having zero duty access to Australia as against a 4.8% duty faced by Indian RMG in the Australian market making India's exports uncompetitive.

Product:61		
Exporters	Share in Australia's imports (%)	Average tariff (estimated) applied by Australia(%)
World	100	
China	64.1	0
Bangladesh	12.9	0
Viet Nam	4.5	1
India	2.9	4.8
Position at 4		

Product:62		
Exporters	Share in Australia's imports (%)	Average tariff (estimated) applied by Australia(%)
World	100	
China	67.7	0
Bangladesh	7.9	0
Viet Nam	5	1.8
Indonesia	3.9	1.9
India	3.5	4.8
Position at 5		

In this context, Indo-Australia ECTA agreement giving Indian RMG a duty-free access for 100% tariff lines would offer them a level playing field against competing suppliers.

ECTA BRINGS HUGE OPPORTUNITY FOR INDIAN RMG INDUSTRY

Appreciating the fact that currently India along with China, Vietnam and Bangladesh are the only dominant players in the RMG sector to Australia. FTA would result into a drop of 4.8% import duty for Indian RMG which brings us at par with China. At the same time India will be in the better position than Vietnam (import duty 1%) in HS 61 (Knitted garments) and against Vietnam (import duty 1.8%) and Indonesia (1.9%) in HS 62 (woven garments).



Taking into consideration the Australian trade policy, FTAs, declining domestic production and declining reliance on China currently, markets like India can play a major role in increasing their market share in Australia. India is already amongst the top three suppliers of T&A products to Australia.

India exported around 195USD mn of RMG in 2017 which has witnessed a continuous growth until 2021 except for covid times. Post covid growth has resumed with a jump of 41% in 2021 as against 2020 with the RMG exports of 287USDmn in 2021 as against 203 USDmn in 2020 making the year on year average growth during past 5 years amounting to 11.85%. Considering the status quo situation, an 11.85% growth would have accounted for an export of 449USD mn by the end of 2025 which is almost twice that of 2021 exports. Now with the FTA into place and Indian RMG at par with competing countries, it is quite likely that the zero-duty access would approx triple Indian apparel exports to Australia by 2025.

The confidence comes from the fact that the Indian apparel industry India presents a unique strength in the apparel sector having a complete value chain from fiber to garments which presents high potential for India to grow. Apart from being the second largest cotton producing country in the world after US, India produces all types of synthetic fibers including polyester, viscose, nylon, acrylic. Its Technical Textiles segment is expected to expand to US\$ 23.3bn by 2027. With Apparel sector doing 95% domestic value addition with import component being minimalistic and the with permission grant for 100% FDI via automatic route in apparel, Indian players and brands can emerge as global leaders.

With respect to Australian market in particular, Indian RMG is good for producing spring and summer products, but not as good for making winter goods. Thus, India does not utilise its full capacity while producing winter goods. Australia is in the southern hemisphere; hence we can produce spring goods for them during our lean period. This will be an ideal situation to utilise the full capacity in India round the year.

PRODUCTS THAT YOU SHOULD TARGET IN AUSTRALIA

There is an ever-increasing demand of textile and apparel imports in Australia with knitted garments holding a much better acceptance in Australia as compared to Woven garments. India's position is at number 4 in HS61 and at 5 in HS62 respectively.

Top Imported Products in Australia in Knitted Garment category

Code	Product label	Imported value in 2021(USDmn)	% Share
'6110	Jerseys, pullovers, cardigans, waistcoats and similar articles	839373	11.36
'6109	T-shirts, singlets	774698	10.48
'6104	Women's or girls' suits, ensembles, jackets, blazers, dresses	577002	7.81
'6108	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas	286028	3.87
'6103	Men's or boys' suits, ensembles, jackets, blazers, trouser	207105	2.80
'6115	Pantyhose, tights, stockings, socks and other hosiery	197154	2.67
'6111	Babies' garments and clothing accessories	175328	2.37
'6114	Special garments for professional, sporting or other purposes	165939	2.24
'6105	Men's or boys' shirts, (excluding nightshirts)	158084	2.14
'6107	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes	148096	2.00

Jerseys, pullovers, cardigans, waist-coats& similar articles, knitted/crocheted, of man-made fibres being the largest single import commodity over the last year. This is followed by cotton T shirts. Other items that Knitted manufacturing units can explore are socks and stockings, bathrobes for men and women, Special garments for professional, sporting or other purposes etc.

Top Imported Products in Australia in Woven Garment category

Code	Product label	Imported value in 2021	% Share
'6204	Women's or girls' suits, ensembles, jackets, blazers	1261916	17.07
'6203	Men's or boys' suits, ensembles, jackets, blazers, trousers	654088	8.85
'6205	Men's or boys' shirts	274034	3.71
'6211	Tracksuits, ski suits, swimwear	237290	3.21
'6206	Women's or girls' blouses, shirts	212220	2.87
'6212	Brassieres, girdles,	204261	2.76
'6202	Women's or girls' overcoats	170886	2.31
'6201	Men's or boys' overcoats	145028	1.96

In woven category most important products that Indian RMG industry should cater to for Australian market includes both men and women suits, jackets and blazers, tracksuits, swimwear and overcoats both for men and women.

Summary



India should continue exporting commodities which in recent years have been its strength along with exploring similar options in man-made fiber apparel and textiles. It should focus on woven cotton trousers for both men and women as well as man-made fiber T-shirts, shirts and dresses in the apparel segment. Removal of this tariff differential vis-à-vis China would further be helpful in enabling the Indian garment industry to exploit the China Plus One strategy, in which multinational firms are moving to other countries, in addition to China. This will create an opportunity for increasing apparel exports from India. Australia is a focus area for apparel exports since similar products are manufactured in India at similar price points. India exports around \$200 million of garments per year to Australia. Zero duty access would more than triple Indian apparel exports to Australia in three years.

However, for Indian companies to enjoy duty free access to the Australian market, industry need to be aware of import regulations, standards and non-tariff barriers to ensure proper FTA utilisation. They should be high on sustainability in the form of environment, social and governance, and cater to rising consumer awareness on waste management, water footprint, carbon footprint, circularity, ZLD, adoption of renewable energy. In addition to this, social compliance including no child labour, gender equality, women empowerment, fair wages etc would act as competitive tools against competing suppliers from Bangladesh and Vietnam which has already been enjoying this duty-free access. If the industry takes on these issues on priority, Indo-Australia ECTA can act as a gateway for Indian RMG to the entire Oceanic region catering to New Zealand, Fiji, Papa New Guinea etc in addition to just Australia.

Our valuable esteemed members

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