

Garment Industry: Operations and Logistics



Thomas Group recently completed programs with two global garment manufacturing companies, each focused on improving performance in sales, operations, and logistics. Both programs delivered significantly increased profitability in a highly competitive industry.

One client, a supplier of many famous brand names, has 25,000 staff disbursed among 19 factories in eight countries. The CEO had already established cycle time and fast response as the company's new competitive focus; however, he also recognized if faster response was to be achieved, processes had to be changed.

He described the situation by stating, "In traditional management, the focus is mainly on managing structures but most of the time there are barriers between functions. In discussion between departments, it is common to hear phrases such as 'our department' or 'your department'. In addition to this, we have a large number of factories, offices in 16 cities and we deal with many different clients. Our reduction of process time does not involve advanced technology, but the setting up of a unique focus in getting the job done. From the point of view of the company, the objective is to earn profit. In order to achieve this result, cycle-time must be reduced."

Thomas Group Strategy and Solution

Thomas Group used *cycle time* as the driver of process improvement. Measuring cycle time brings with it a focus that is not limited to a specific department but spans complete cross-functional, customer-focused processes and involves all staff. Thomas Group helped them to understand that only through cooperation between departments can cycle time be improved.

The company's CEO was aware that his company was already using measurements and creating new ones daily. The problem before Thomas Group arrived, however, was that whenever a result was not satisfactory, people felt the standard for measurement was at fault. As a result they would change the standard for measurement but not address the root cause. Eventually measurements had become far too detailed.

Thomas Group helped by shifting focus on measuring only key performance indices such as cycle time and first-pass yield (*right first time* performance). Cycle time was used, not only in manufacturing, but also in all parts of the business that interacted with customers.

Setting Up the Standard of Measurement

The correct measurement concept is not complicated but it does require a change in corporate culture. The client CEO reflected upon the definition of measurements by saying, "For instance, the first pass yield calculation needs to be defined in detail and be discussed with relevant departments such as sample room, sales department, etc. Then you have to clearly define the formula and write it down as a record document that has been agreed upon by all parties. Next comes the gathering of data which has to be collected on a daily basis and reviewed every week."




Thomas Group's next step was to identify high-impact opportunities to improve the processes. Barrier Removal Teams were formed to identify and remove barriers to improved performance, either in terms of speed or *right first time* performance. Thomas Group taught members of the cross-functional teams not only how to analyze problems, but brought to them a focus and discipline in driving change and thus improved results. The process from the very beginning focused on how to discover the root cause of problems and how to apply methodologies and tools to remove barriers and achieve the desired results.

Getting Away From Fire Fighting



Traditionally, the company had focused on *putting out fires*. Through a new focus upon measuring processes and identifying barriers, they discovered that many problems actually had similar root causes. A discipline in documenting the solution to problems meant that later on when discovering a similar problem, they could go back to the previous solution instead of continually reinventing new solutions.

One Barrier Removal Team discovered that although they have been running a garment business for decades, the sample room still received many complaints of slow delivery, changing client needs, and the reworking of specifications. The complaints caused many orders to be delayed.

Before the Thomas Group program, the sales and sample room groups continually blamed each other but never discovered a solution to their common problems. By forming a cross-functional team and addressing the problems from a common, customer-focused viewpoint, the barriers to improved sample delivery performance were identified and removed. 

The Bottom-line Results

- Profitability increased by more than 100%
- Manufacturing cycle time reduced by 43%
- Productivity increased by 20%
- Inventory holding days reduced by 39%
- *Right first time* performance increased by 60%
- Customer satisfaction improved by 25%
- On-time delivery improved from 60% to 99%
- Sample costs reduced by 39%
- Sample on-time delivery improved by 46%

What the Clients Said

"The Thomas Group consultants helped us respond faster to our customers and achieve better financial results" (Client Chairman)

"We are a better managed company today because of the Thomas Group program" (Client Senior Executive)