

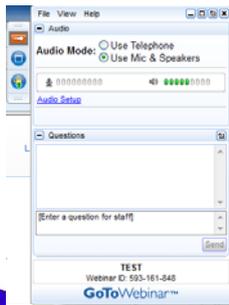


Avoiding Manufacturing Pitfalls

Carol Hanlon, GAICD, MIEF

© 2015 TCF WA Inc. - All Rights Reserved.

Housekeeping for this Webinar



You may ask any questions that you have during a **LIVE** session by submitting them to the presenter via the questions panel.

Type your question and click Send to submit it to the presenter.

NOTE: The presenter will answer any questions at the conclusion of the presentation.

Cannot see the questions Panel?
The GoToWebinar toolbar may be minimised. Please select the orange arrow to maximise the toolbar.

In a **recorded** session please email your question after the session has concluded.

For further assistance please contact 61 8 9479 3777

© 2015 TCF WA Inc. - All Rights Reserved.

Manufacturing



Manufacturing needs to be tightly controlled to ensure your company does not suffer financial loss due to unforeseen circumstances. With the correct guidance and total diligence you can minimise manufacturing problems before they become a major issue.

Covered in this workshop are a few guideline towards ensuring a somewhat problem free manufacturing process. During the workshop these points will be discussed with the manufacturer before, during and on delivery of manufactured goods.

© 2015 TCF WA Inc. - All Rights Reserved.

Is the Manufacturer right for you?

- › What quantities does the manufacturer normally produce?
- › Which fabrics do they specialise in? Have they dealt with your fabrication?
- › Does the manufacturer have all the equipment and space required?
- › Do you feel you communicate well with the company on first impressions?
- › Which companies are they currently producing for? Are they similar to your label?
- › Do they do in house production or partly in house and partly outsourcing?
- › When do they take holidays? In order that it doesn't interfere with your delivery times.
- › Onshore or Off Shore Manufacturing



© 2015 TCF WA Inc. - All Rights Reserved.

Initial Discussions

- › Delivery standards (i.e. Packing including such items as hangers, bags, labelling).
- › Meet the production manager.
- › Access to workroom when and how.
- › Access to outworker's workroom (if outworkers are used by the manufacturer).
- › A timeline schedule for quality control needs to be worked out between you and the manufacturer.



© 2015 TCF WA Inc. - All Rights Reserved.

Specification Sheet (1)

What to include in a thorough specification sheet especially in regards to samples, if the manufacturer is to produce these.

- › Each design should have it's own specification sheet which includes a trade sketch with specific measurements. (E.g. Width of the shoulder span, button hole widths, hem widths, positioning and lengths of darts, etc.)
- › Include fabric swatches and trims on each page
- › Include code numbers

© 2015 TCF WA Inc. - All Rights Reserved.

Cost of Samples & Production

How to work out actual total cost of samples and production.

In most cases you will not know the sample costs until they are complete as most samplers work on an hourly rate. The same can be said about pattern makers.

› Process

With production costs have the manufacturer tell you what their hourly rate is and how many hours each piece has taken them to produce.

Have the manufacturer do one in each size first to ascertain this. This is also important as you need to see these before bulk production commences.

If you feel the price is too high, discuss this with the manufacturer and see if there are ways to reduce the costs. Remember you know your target market and what you are able to charge your stockists and what you have allocated as your cut plus agents cut (if an agent is used).

› Discounts

Will they consider a discount for higher volumes?

© 2015 TCF WA Inc. - All Rights Reserved.

Payment Terms

› Forms of Payment

Do the manufacturers require a deposit? Most manufacturers will charge a deposit and the balance upon delivery. Normal methods of payment usually apply. I would be reluctant to pay cash but use cheque, internet banking, bank cheque or credit card.

› Return Policy

A return policy should be discussed. In most cases once you have taken delivery of the goods and have paid, you have accepted the goods are to your satisfaction. This is why your final quality control should be as water tight as you can make it.

› Unforeseen circumstances

Always factor into your costing a small amount for unforeseen quality issues. Quite often you will find there were oversights.

© 2015 TCF WA Inc. - All Rights Reserved.

Fabric and Trims

How to keep a handle on wastage during the manufacturing process.

› Fabric Quality

Should be checked prior to handing it over to the manufacturer as there have been cases of manufacturers producing garments on damaged fabric and not notifying the client and the client still needs to pay.

› Manufacturers unintentionally damage or waste fabric

In this instance manufacturers rely upon the client to supply more material, blaming it on a shortfall rather than being upfront. If you are sure of the amount of fabric required for your production and that your fabric is flawless then you cannot have a manufacturer covering up their fabric wastage by saying there was less metreage supplied then stated. This is a difficult area to control but needs a great deal of monitoring.

© 2015 TCF WA Inc. - All Rights Reserved.

Delivery Details (1)

▸ Type of Packaging

Look at the type of packaging the manufacturer will use. Is this adequate? In most cases this will be basic such as wire hangers and transparent plastic covers. You may be able to pay extra and have the manufacturer source your specific packing needs to avoid double handling or you can supply the packing materials to the manufacturer yourself.

▸ Final Quality Control

Final quality control should not be rushed. If you need a day to go through the manufactured goods this should be discussed in the initial stages. Then they are aware that you will need the area and hanging space to do this effectively.

© 2015 TCF WA Inc. - All Rights Reserved.

Delivery Details (2)

▸ Labelling

Contents and care labelling once again can be generic and supplied by the manufacturer or if you are requiring more specific labelling you may need to produce your own labels to issue to the manufacturer. Swing tickets should be given to the manufacturer and they should be placed on the garments where you specify. E.g. Not around a button.

▸ Leftover Fabric and Trims

Fabric and all trims should be collected at the end of production. With zips and buttons always give the exact number required for production and not a full box of buttons etc. As it is easy for these extra items to be misplaced.



© 2015 TCF WA Inc. - All Rights Reserved.

Legal Resolutions



If you communicate well throughout the negotiation period with a written agreement drawn up and everything is discussed openly, you should find that this will make it easier to come to a resolution if problems arise.

If both parties cannot come to a resolution independently some matters will only be able to be resolved by legal intervention.

It always helps to have a colleague take notes when attending meetings with the manufacturer. This will give you more documentation if evidence is required as some points discussed may not be in your written agreement.

© 2015 TCF WA Inc. - All Rights Reserved.

Evaluation of your Product Run

How to assess and evaluate the production process.

The questions that you need to ask yourself are:

- › Did you work well with the manufacturer?
- › Did they allow you the freedom to put into place all the quality control and timeline schedules you required?
- › Did they deliver on all the areas you asked them to?
- › Were you happy with the finished product and price?
- › Are they prepared to manufacture for you again and book you in for your proposed next production run?



© 2015 TCF WA Inc. - All Rights Reserved.

Using the same Manufacturer Pros & Cons

With all manufacturers you will have teething problems.

- › If they are just teething problems it may be wise to work closely with the same manufacturer again and train them up to fulfil your requirements. This can be done straight after the production run has been completed by scheduling a meeting where everything can be discussed.
- › If you feel that they have taken all on-board then I would recommend moving forward with the same manufacturer. If however, you feel that they are disinterested you may need to look elsewhere. Keep in mind that a good manufacturer is hard to find and are usually in high demand around the time you are doing production due to the fashion cycle.



© 2015 TCF WA Inc. - All Rights Reserved.

Conclusion

The true test of whether your manufacturing has been a total success will be reliant ultimately on the feedback from your retailers.

No doubt they will inform you as soon as a perceived problem is evident. It is important to have a good working relationship with your manufacturer and retailer to be able to come to mutual agreement if there are any problems.

Manufacturing overseas will once again add many more issues to take into account and should not be entered into lightly.

© 2015 TCF WA Inc. - All Rights Reserved.

Additional Belmont BEC TCF Australia Resources

View upcoming www.tcfaustralia.com/webinars
LIVE or Recorded Webinars
Advisors, Mentors, Coaches also available to book ONLINE by hour – one/one

Join www.tcfaustralia.com/membership
Events, Opportunities and Support

Suggested Topics :

- Pricing, Costing, Cash Flow
- Business Planning
- Specification Sheets for Apparel Manufacture
- Quality Control for Apparel Industry
- Sustainable Sourcing
- Importing & Exporting
- How to Start a Fashion Label
- Strategies for Successful Sourcing

© 2015 TCF WA Inc. - All Rights Reserved.

Presented by



Street Address: 7 Fairbrother Street Belmont WA 6104 Australia

Postal Address: PO Box 370 Cloverdale WA 6985 Australia

Phone: +61 8 9479 3777 | **Fax:** +61 8 9479 3888

Email: support@tcfaustralia.com

www.tcfwa.com.au | www.tcfaustralia.com | www.tcfglobal.com



© 2015 TCF WA Inc. - All Rights Reserved.
