



## IMPACT OF SUPPLY CHAIN MANAGEMENT ON INDIAN APPAREL INDUSTRY AND PARAMETER ANALYSIS

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### Abstract

Apparel Supply Chain Management (SCM) forms back-bone of all apparel organizations in India. It consists of suppliers/ vendors, retailers, warehousing, logistics/ transportation, Information Technology (IT) tools and techniques, Human Resource management (HR) and customers. All these parameters are important and unique in their functions and have sub-functions which describe their activities in detail. We have presented an analysis with help of questionnaire to find out which sub-function is most important under all the above functions and the degree of importance it holds.

**Keywords:** Suppliers/ Vendors, Warehousing, Logistics/ Transportation, Information Technology (IT), Human Resource Management (HRM), Customers.

### INTRODUCTION

Apparel Supply chain is defined as all the activities involved in delivering a product from raw materials to the customer including sourcing raw materials and parts, manufacturing and assembly, warehousing and inventory tracking, order entry and order management, distribution across all channels, delivery to the customer, and the information systems necessary to monitor all of these activities.

When a customer goes for apparel shopping, he or she expects that everything should be available easily within ease and that exactly happens, which seems like an easy task, but the truth is to satisfy customer, supply chain organizations have to go through months and months of planning and hard work, in order to get, right merchandise at right time at right price to serve each and every customer at any point of time, this is how SCM works.

Supply Chain Management (SCM) is the management of the flow of goods and services. It is a chain of goods from point of origin to point of consumption.

India is at nascent stage of SCM in apparels, if it cannot innovate, than at least it should try to imitate organizations like – Zara, H&M being leaders in apparel SCM. Some focus points for Indian apparel organizations to eye upon:

- Zara takes 15 days of lead time in production whereas Indian industry average is 6 to 9 months
- 12 inventory turn-over's in an year, whereas Indian industry average is 3 to 4 times
- They create 12000 designs per year whereas Indian industry average is 600 to 800 per year
- Dead or slow moving stocks constitute 10% whereas Indian industry average is 17% to 20% of overall stocks
- Zara's Sales data analysis flows in system immediately and available handy anytime to analyse, but in Indian firms it takes a day to get sales data for the previous day\*.

### Parameters involved in the Apparel Supply Chain

1. External Environment –
  - i. Macro factors - PESTLE i.e. political, economic, social, technological, legal and environmental factors are the key for external environment. Any fluctuation in these, will definitely impact organizations and hence their supply chain.
  - ii. Regulations in FDI (Foreign Direct Investments) – Setbacks against FDI in Multi-Brand retail format. If foreign retailers want to invest in India, they should invest in back-end infrastructure such as warehousing etc which is a high cost in India.
  - iii. Apparel organizations have started prefers to outsource their SC facility to China, due to its low cost and robust infrastructure.
2. Suppliers & Manufacturers –
  - i. Suppliers or vendors are the root or starting point of supply chain. The organizations need to maintain strong and trustworthy relationship and should closely work together to have reduced inventory levels, controlled markdowns, just in time whether it is in terms of production or in terms of dispatches.
  - ii. India was among the low cost economy, but with increasing inflation, organisations have started outsourcing the same globally, to save cost.

- iii. Organizations should help to Reduce Cost Expenditures of suppliers, channel partners, logistics or distribution partners.\*Source: <http://www.slideshare.net/> - Zara Case Study
3. Distribution – Logistics-
  - i. Fashion is considered an extremely dynamic and complex industry that requires its supply chain to be responsive and flexible. Given the long lead times and short product cycle, becomes a must to have an efficient supply chain to help you buy products as close to the season as possible. Certain issues need to be tackled to improve:
  - ii. Geographical Locations decisions for Warehouse (WH)/ Stores
  - iii. Poor Infrastructure
  - iv. Lack of IT Support system
  - v. Difficulty in forecasting customer demand
  - vi. High Lead time being faced in shipping goods from one place to another due to bad infrastructure.
  - vii. Effective Storage Capacities – Inventory Management
  - viii. Distribution strategy – to gain efficiencies
  - ix. Higher Logistics Cost must be reduced – The Logistics cost in India is very high i.e. 14% of total value of goods
  - x. Entire Network structure constitutes 75%-80% of supply chain cost, in order to reduce it, actions are required to improve operations and efficiencies.
  - xi. In order to create greener and more sustainable operation, infrastructure planning process should go beyond elimination of waste to analysis of benefits and tradeoffs among the different drivers of sustainability in the supply chain.
4. Retailing –
  - i. India is gradually progressing from unorganized retail to organized retail, but still some basic points have to be implemented to automate systems so errors can be reduced and manual errors and work load can be reduced.
  - ii. Front-End IT Limitation – Various retailers don't have proper efficient check base of In warding process, which leads to pilferages.
  - iii. Increase in retail space – Retailers in order to have more sales numbers, are increasing retail spaces at the cost of reducing Store DCs. As a result of that, maximum stock has to be taken on Shop floors, than keeping them in DCs.
  - iv. The best use of the technology is when you have good data in the system and allow it to automate the mundane tasks thus freeing up the humans to be more strategic in using the data before them.
5. Workforce Development-
  - i. Workforce is becoming and gaining importance in apparel SCM whether it is recruitment or education or compensations etc which is very significant and is required as the entire onus of supply chain lies in their hands.
  - ii. The majority of workers are concentrated in the production-related segments of the value chain with limited education. Upgrading rapidly into higher value stages as workforce development initiatives alone play a secondary role in improving competitiveness.
  - iii. Emphasis to be on on-the-job training carried out by supervisors to address the skills gaps in the apparel labour force.
  - iv. Second, there is frequently a shortage of skilled labour.
  - v. Third, new initiatives and pressure is increasing from the more mature suppliers to develop professionalism in apparel labour forces.
  - vi. Fourth, in conventional or brick and mortar retail, sales happen at front-end. But especially in India the Sales Staff known as customer service associate (CSA) is a person with minimum education of senior secondary and is paid on an average of 7000 to 8000 per month and leads to attrition at store end.
6. Information Technology-

Robust IT Tools & Techniques –

  - i. India, being such a strong base in Information Technology across Globe, should take advantage and support of IT firms to develop strong systems in apparel SCM or understand its weight age from western countries.
  - ii. To have better co-ordination and communication between supply chain partners, in order to reduce demand and supply uncertainty
  - iii. Enabling GPS (Global Positioning System) in Logistics – Helping in successful tracking of shipments, minimizing the delays
  - iv. Installing RFID (Radio Frequency Identification)



- v. Efficient Barcode technology – Will lead to greater warehouse efficiency and lower inventory on hand.
  - vi. Various IT solutions are Electronic mail (e-mail) for effective 2-way communication, electronic data interchange (EDI) – for mutual understanding and sharing of business, Enterprise resource planning (ERP) – such as SAP, Oracle etc. which provides all information and issues faced at warehouse end/ store end/ supplier end i.e. it is a uniform supply chain platform.
  - vii. It helps in reducing costs & lead times, improving product promotional activities, hence resulting in business generation.
  - viii. Just in time (JIT) manufacturing allows companies to keep the amount of inventory to a level that they can keep or store. It will cut cost substantially as companies will not require to pay, to store and to produce excess goods.
7. Lowering load on Fiscal Deficit –
- i. If India tries to lower down its Logistics cost even by 1%, it will result in huge savings, which can be used to reduce the burden of fiscal deficit by certain amount.
  - ii. In India, roads carry maximum load i.e. 60%, rail carries 30%, coastal shipping constitutes 10% in present scenario. Government should work out strategy to shift logistics load from high to low cost i.e. roads to rails, and rails to ship, which will be more environment friendly.
  - iii. In India currently CST (Central sales Tax) is applicable, which will be ruled out by government by next year by introduction of GST (Goods & Services Tax) which will help organizations to reduce logistics cost by 20%\*.
  - iv. As per CRISIL Research, currently organization spends around 5%-8% on logistics. With GST they will be able to save warehousing costs of 1-1.5% of sales in 3-4 years. Eliminating check-post delays will yield additional savings of 0.4-0.8%, thus taking overall savings to 1.5-2% of sales.
  - v. Logistics Company can easily ease on their costs by better planning of route, effective utilization of resources- delivery vehicles, labour etc.
  - vi. With regard to FDI, requires little ease on such norms, so that more retail giants enter into India, leading to much higher scope of improvement in SC.

## REVIEW OF LITERATURE

Amit Gugani (Senior VP-Fashion), Aseem Doda (Assistant VP-Fashion), Prerna kaushal (Senior consultant–Fashion): The Textile and Apparel Supply Chain: An Overview

This paper highlights on how fashion retailers and apparel organizations have been forced to re-think regarding their supply chain in order to serve unpredictable Indian shopping trend, aiming towards fulfilling customer needs and gaining loyalty by forecasting demand effectively.

- Sharing as well as Accuracy of information in apparel supply chain can resolve various existing issues such as excess inventory leading to costs and revenue reduction, improper budget and capacity planning, hay wired production schedules etc.
- Organizations need to have Adaptive supply chain. Such a strategy is very required for Indian market where there is cultural diversity in each and every region.
- To follow sustainable supply chain strategy, this focuses on having such an approach towards apparel supply chain helping in minimising environmental and social implications.\*Source: Money control – Crisil Research June 9, 2015

Retailers should use advanced analytics tools for forecasting. “Big” data must be used for tracking consumer demands and fashion trends. Businesses must focus on improving technology, flexibility, sustainability in SCM. Companies having an eye of building robust, responsive and flexible supply chain will be sustainable in longer run\*.

Karina Fernandez-Stark; Stacey Frederick and Gary Gereffi: The Apparel Global Value chain: Economic Upgrading and workforce Development,

This paper is focusing on changing scenario of apparel production world-wise which has resulted into economic up gradation of various economies as well as development of work-force by job opportunities.

Countries such as China, India and Bangladesh are emerging as apparel suppliers and manufacturers due to the advantage of their being low cost economies. It is also required for them to upgrade their value segments such as branding and design, which is very significant in terms of competitiveness. Also, for upgrading positions in global apparel value chain, low cost economies have to concentrate on developing workforce skills.



Professional, mature and global suppliers having large scale have started influencing working conditions and developing apparel work-force, which shows that in developing economies apparel sector is started focusing on following meaningful workforce development practices\*\*.

Asli Koprulu & M. Murat Albayrakoglu: Supply Chain Management in the Textile Industry: A supplier selection Model with the Analytical Hierarchy Process

Vendor selection is a very important task and this paper highlights the same problem and its relationship with apparel supply chain goals and strategy. Focus of this paper is suppliers. Author has created a Supplier selection model – Analytical Hierarchy process (AHP). It emphasis on how relationship with suppliers can be strengthened.

In globalization, all organizations are trying to offer best value to customers over their competitors, for which they are creating strong and robust supply chain. Most critical parameter to manager in SCM is to manage complexities of global sourcing in textiles and risk.

\*Source: *IMAGES Business of Fashion-Magazine*, July 2014

\*\*Source: *Centre on Globalization, Governance & Competitiveness, Duke University Posted: November 17, 2011*

Various criteria were judged for Vendor Selection such as Quality, product integrity, on-time delivery commitment, sampling turn time, quick response, in-house design team, production flexibility, in-house production capacity, financial stability, confidentiality, social responsibility. The result of using this model obtained is that it helps in decision making and reducing the decision time during selection of suppliers. It helps to rate and scrutinize selected suppliers and examining their strengths and weaknesses, as well as, ensuring that there is no deviation from set-up goals\*.

V.G. Venkatesh, Snehal Rathi, Sriyans Patwa: Analysis on supply chain risks in Indian apparel retail chains and proposal of risk prioritization model using Interpretive structural modelling

In this paper the main highlight is to overcome various risks associated with Indian apparel industry. Model is proposed to overcome selective risks involved in SCM.

Apparel retail industry in India is still in nascent stage as usage of various parameters such as Information technology, communication tools and techniques are not being used at that level, which is required for successful supply chain implementation in any organization. It is trying hard and constantly to evolve and emerge from an unorganized to organized sector.

Overall paper is useful in using ISM model for reduction of risks involved at each and every stage of supply chain. It will help organizations and supply chain managers to analyze, understand, react and take appropriate actions towards mitigating risks and managing the factors and ensuring proper utilization of resources. It will help in improving the top line performance as well as bottom line performance of apparel retail organizations\*\*.

\*Source: *ISAHP 2007, Viña Del Mar, Chile, August 3-6, 2007*

\*\*Source: *Journal of Retailing and Consumer Services; Volume 26, September 2015, Pages 153–167*

## RESEARCH METHODOLOGY

### Research Design

The analysis of importance of several factors by two apparel retail giants in India, based in Bangalore. The study adopted is descriptive as well as explorative in nature, which very well complements the present investigation. It clearly differentiates the most significant factor among all other present factors and its impact on organization, enforcing firms to have major focus on it.

### Objective of the paper

In Supply Chain Management, Information Technology / supplier / customers / logistics / warehousing / experience / decision all matters a lot. In this study, with all factors in place, helps to identify significance of every parameter and will force organizations to think for implementing such parameters.

### Limitations of the Study

- Only 2 major companies are selected with a sample size of 100.
- The information collected may be 99% correct and 1% may be incorrect as some respondents may have filled with less interest due to heavy work pressure.
- Results obtained from 100 respondents is considered as representation of entire universe

- Study is confined to Bangalore only.

**Scope of the Study:** Strengthening and creating Supply Chain Model in India, along with increasing its visibility, managing the Inventory effectively and efficiently, leading to economic and financial stability and sustainability.

### DATA ANALYSIS & INTERPRETATION

Data Collection Method – Questionnaire

No. Of Respondents – 100

Respondents pertain to – Two market leaders in apparel retail – Central and Reliance Trends

- Central – Being the recent entry in market among all, is rising rapidly
- Reliance Trends - Biggest and dominant player in Indian apparel market
- Hard core SCM employee in both firms on an average was 30 to 35 people. Remaining are the respondents directly influenced by SCM operation and activities.

Questionnaire responses were received by over 100 respondents, and contained 20 questions. In all the Questions, 1 stands for least important and highest number stands for most important.

#### I. Factors important for SCM-Apparels (Rank 1 to 6-where 1 being least important & 6 being most important)- ANALYSIS 1.

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 6 voted against each parameter from all respondents.

Political	Economical	Social	Technological	Environmental	Legal
1	6	2	6	2	6

Table 1

Political	4%
Economical	26%
Social	9%
Technological	26%
Environmental	9%
Legal	26%

#### Findings & Recommendations

External factors are very important in SCM. External Factors constitute Political, environmental, social, technological, legal and economic factors. Out of them, economical, technological and legal factors are most important.

Economic factors – forms the prevailing condition of our economy i.e. current fiscal deficit, revenues etc factors government has taken for improving economic conditions, if they are favourable in terms of policies and norms for apparel industry than it results into beneficial for organizations.

Technological factors – It is the Information technology infrastructure created by our government in terms of communication bandwidths, cost benefits and leverage on implementation of technologies such as GPS, RFIDs so the organizations can plan their infrastructure and IT cost accordingly.

Legal factors – it comprises of all legal norms prevailing which any apparel organization has to mandatory follow and government can help organizations by providing them subsidy in various costs.

Out of all these 3 factors, maximum importance is given to Technological factor and Political factor was not at all important. As political factors intends the political power and condition of Indian country, which can still be lived with. But technological factors are so important that without it, it is impossible to work together. Also, IT factors will help you in performing all apparel SCM tasks responsibly.

#### II. Organizations should focus on which Apparel SCM parameter: (Rank 1 to 5-where 1 being least important & 5 being most important)

##### ANALYSIS 1.

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 5 voted against each parameter from all respondents.

Cost	Zero Error	Reliability/Accuracy	Time	Efficiency & Speed
2	1	3	3	5

Table 2.

Cost	14%
Zero Error	7%
Reliability/Accuracy	21%
Time	21%
Efficiency & Speed	36%

**Findings & Recommendations**

Various major apparel SCM parameters are Cost, Zero-error, Reliability/ accuracy, time, efficiency and speed – all being most important, but among all efficiency and speed is major area of focus for organizations.

Efficiency in SCM is the efficient quotient of any apparel organization in terms of its vendor / supplier management, communication skills, workforce management, transportation and logistics etc.

Speed in SCM is similarly significant as organizations need to be pro-active in reacting towards changing trends – seasons, reacting to customer preference by accurate demand forecasting and implementing IT tools to have a competitive advantage with other apparel competitors.

Zero error is least important, as it clearly indicates that in apparel SCM if efficiency and speed is highly maintained followed by Reliability/ accuracy, time and cost, than there are no chances of error i.e. proper implementation of all other factors will directly lead to zero errors in apparel SCM system.

**III. Out of four, which stands as back-bone of SCM in Apparels: (Rank 1 to 4-where 1 being least important & 4 being most important) -**

**ANALYSIS 1.**

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 4 voted against each parameter from all respondents.

Planning & Forecasting	Communication	IT & systems	Profitability or Margins
4	1	2	1

Table 3

Planning & Forecasting	50%
Communication	13%
IT & systems	25%
Profitability or Margins	13%

**Findings & Recommendations**

SCM forms back-bone of any apparel organization due to 4 major parameters – Planning and forecasting, Communication, IT and systems and Profitability or margins. Most important is Planning and forecasting, as with its accuracy will lead to have proper forecast of upcoming season, to act right on coming trends and manufacture accordingly which will serve customer satisfaction to the fullest It automatically leads to getting right product at right place at right time at right price. Once it is attained it will result into high profitability and margins. It should be the main criteria for all apparel firms as apparel is very dynamic and without forecasting accuracy nothing can be achieved.

Communication is least important as planning and forecasting is the 1<sup>st</sup> step, and is companies get the 1<sup>st</sup> step right than everything falls in proper place.

**IV. Out of the below options which forms integral part of Apparel SCM: (Rank 1 to 3-where 1 being least important & 3 being most important) -**

**ANALYSIS 1.**

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 3 voted against each parameter from all respondents.

Inventory Management	Warehousing & Logistics Management	HR Management
2	3	1

Inventory Management	33%
Warehousing & Logistics Management	50%
HR Management	17%

Table 4

**Findings & Recommendations:**

In SCM – Inventory management, Warehousing and logistics management and HR management are three integral arms, where Warehousing and logistics management should be the major priority for any apparel organization. Warehousing and logistics leads to maximum cost which is approximately 80% of total SCM expense of any apparel firm. Establishing of any Warehouse site is important as it is a fixed cost and requires extensive investment, various means of transportation needs to be analysed whichever is in-expensive whether rail, road, air or water. Firms need to spend on IT tools such as GPS, RFID, barcode readers & scanners etc in logistics and warehousing. Also, can work out on cost efficiency of outsourcing logistics to third party i.e. 3PL (third party logistics). This arm incurs maximum investment by organizations and hence they cannot afford to ignore.

Least importance is given to HR management, which is an overall response by apparel firms in market, but in coming years, it will also play equally significant role that firms will have to take it into consideration.

**V. In the following decisions, which plays significant role in Apparel SCM: (Rank 1 to 5-where 1 being least important & 5 being most important) -**

**ANALYSIS 1.**

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 5 voted against each parameter from all respondents.

Location decision of WH/Store	Capacity Decision	Transportation decision	Information Decision	Inventory Decision
4	5	3	1	2

Location decision of WH/Store	27%
Capacity Decision	33%
Transportation decision	20%
Information Decision	7%
Inventory Decision	13%

Table 5

**Findings & Recommendations**

Certain decisions are involved in SCM i.e. Location decision of WH/Store, Capacity decision – Demand & Supply planning, Transportation decision – source/ distribute, Information decision – information sharing, Inventory decision, out of them capacity decision is most important as it is about in how much capacity inventory should be planned to suffice season requirement, so that season functions smoothly, to satisfy customer requirement and fulfil demand without any error. It is about planning how much capacity can be filled in any store as per available space, to achieve sales to stock ratio and hence achieving demand and supply curve.

Information decision holds last stand in importance as it is less critical than other decisions.

**VI. In procurement, what stands important out of the below: (Rank 1 to 3-where 1 being least important & 3 being most important) -ANALYSIS 1.**

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 3 voted against each parameter from all respondents.

Purchasing	Vendor Management	Negotiations
1	3	2

Purchasing	17%
Vendor Management	50%
Negotiations	33%

Table 6

**Findings & Recommendations:**

Procurement process in apparel SCM is bifurcated majorly into vendor Management, Purchasing and negotiations. It can be procurement of yarn or fabric or finished product. Vendor Management is most important procurement parameter. Vendors are the source of supply chain, being the initiator of this chain as they supply fabric/ yarn/ finished product i.e. garments in form of stocks. It should be the prime duty of all organizations to have a healthy and mutual relationship with them. Effective management of vendors will lead to proper supplies of stocks, proper sharing of business, valuable communication and information sharing and making vendors a part of organizational family. As well as good understanding among partners will also result in business growth being win-win situation for vendor and organization too.

Purchasing is the lowest selected, as vendor management is very strong and firms have maintained relationship, than purchasing materials or stocks from those vendors is a cake-walk and ultimately it is relationship that builds trust mutually and give confidence to firm as well as vendor for doing further business.

**VII. Which parameter is most important in HR Management: (Rank 1 to 7-where 1 being least important & 7 being most important) -**

**ANALYSIS 1.**

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 7 voted against each parameter from all respondents.

Recruitment	Attrition/ Retention	Work Culture/ Environment	Compensation – Benefits & Incentives	Work – Life Balance	Talent Management - Training & Skills	Education
7	2	4	3	2	5	1

Recruitment	29%
Attrition/ Retention	8%
Work Culture/ Environment	17%
Compensation – Benefits & Incentives	13%
Work – Life Balance	8%
Talent Management - Training & Skills	21%
Education	4%

Table 7

**Findings & Recommendations**

Human resource is an equally important function in apparel. There are various activities involved in it – Recruitment, Compensation – Benefits & Incentives, Talent Management - Training & Skills, Attrition/ Retention, Education, Work Culture/ Environment, Work – Life Balance – Recruitment forms major activity. In Brick and mortar apparel retail sales happen at front-end, the type of staff recruited for any brand at store becomes the key.

If staff recruited is smart and efficient, it will reflect in great sales number, if there is in-efficiency at staff end than results into loss of sales. Once staff is recruited, to ensure that he/ she delivers, it is required to provide proper training so they can perform and live up to organizations expectation. Also, if good staff is recruited and trained nicely, leads to outperforming sales target, sales staff will get handsome incentives, hence reducing attrition. Pay and salary structure is also important to see at the time of recruitment. In an apparel format, sales staff are paid 7000 to 8000 per month, which is very low and is main reason of high attrition. Recruitment of sales staff is done with a basic qualification of 12<sup>th</sup> pass or college drop-out as maximum qualification, which is like education doesn't forms any criteria and so paid lowest, ideally not at all fair as front-end is the hardest working member in SCM, as it is the one that makes it happen. That shows as respondents voted lowest importance to Education.

As well as apparel back-office staff, making SCM happen day in-day out, should be recruited such which are well-qualified and having good understanding of SCM. They really form back-bone of apparel SCM as due to them only all activities takes place at front-end smoothly and steadily because as per the analysis, organizations should focus on recruitment and least important is Education. But if we see, to handle supply chain, once need to be qualified so that he or she has better understanding and eye towards resolving the issues, hence, education may be the least preference today but it will be seen as important in coming future.



**VIII. Which is the important outlook in After Sales Service: (Rank 1 to 5-where 1 being least important & 5 being most important) -**

**ANALYSIS 1.**

Responses for each parameter is mentioned below, calculated by using Mode – maximum occurring option from 1 to 5 voted against each parameter from all respondents.

Customer support	Complaint	Resolution	Returns	Credits
5	3	4	2	1

Customer support	33%
Complaint	20%
Resolution	27%
Returns	13%
Credits	7%

Table 8

**Findings & Recommendations**

Once the product is sold as bought by customer, than with regular washes or usage, still customer is happy with the feel and touch of the product, than it will be a loyal customer. But if nothing goes well, than the scenario changes. Certain parameters of after sales service such as Customer support, complaint, resolution, return and credits come into picture. In after sales service, in order to earn customer loyalty, most important is providing proper and efficient customer support. As if customer is dissatisfied, it will immediately look out for support team which can help them out. Onus is on customer support team to provide full solution and make customer happy, as in retail, customer is king.

Credits fall in the last place, as any customer who is doing shopping i.e. spending money is doing so because he wants something new in fashion and credit is not the criteria he or she is looking for if nothing works well.

**Utility of the Study**

**Academic perspective**

- The development and functioning of Supply Chain have become important matter and subject topic for academicians with an increase of definitions and phrases.
- Need is due to difference in understanding among practitioners in terms of defining and implementation of supply chain management.
- It will provide guidance to supply chain management academics in defining the outputs, outcomes and impact of their research.
- SCM has being a topic which is always paid high attention, still the literature has not been able to offer much by way of guidance to help the practice of SCM.
- There has been conceptual confusion due to expanding nature of SCM concept.

**Research perspective**

- Inconsistency in which supply chain management is viewed and understood has probably hampered the progression of SCM scholarly work and its application, which has led it to be viewed in both research and practice.
- Also, outlook of understanding and concluding logistics as another word for SCM which is a myth. Logistics just forms a part of it.
- Lack of coherence: The field has not yet developed a rich and robust theoretical grounding.
- Breadth and depth is lacking, as evidenced by the low level of inductive research.
- Quality is lacking as evidenced by the lack of “clear research norms”

**Organization perspective**

- SCM with its focus on achieving the market demanded service levels and on optimising total supply chain cost and investment has an exponential role to play in addressing the challenges of globalisation for businesses.
- Very significant value for any apparel organization, which will help them understand the advantages and disadvantages of using SCM
- Focuses on competitiveness and emphasises the importance of teamwork and integration.
- Incomparable relevance for organizations, as such activity performed by organizations is for customers, hence, benefitting society.



- To have academics and practitioners engagement in the Supply Chain Management (SCM) discipline, which will provide a better understanding of collaborative SCM research between both parties and is, required bridging gap of rigour and relevance.

#### **Suggestions to Curb Cost:**

- Companies should identify and analyze supply chain cost by defining key cost drivers such as Economies of Scale, Scope - Technology requirements etc. and analyze other execution drivers too such as Capacity utilization, Workforce participation and their change, Efficiency of plant layout, etc.
- Firms should shift to IT means i.e. using EDI for sending POs (Purchase Orders) to vendors, automated generation of POs from system, independent access to vendors for sales and payments etc.
- In distribution centres, data entry to be done through barcode scanners, DC should follow cross-dock system i.e. box in and box out, also planning for efficient space management whether it is warehouse i.e. by creating mezzanine floor or at stores by creating more racks etc., to hold inventory.
- Companies should plan vertically integrate all activities for better co-relation and speedy delivery.
- Companies can also rethink of cutting inventory and its cost by keeping certain styles or designs unfinished in pipeline and as and when demand occurs as per upcoming festivals or replenishments, than same is produced and delivered, which not only reduces inventory holding as well as alignment of sales and inventory will take place. Only thing to be cautious is that production lead time should be anyhow lesser than customer service time for that product.
- Focus to be given on reducing lead times whether it is production lead time, distribution lead time or lead time in stocks reaching to stores.
- Supply chain companies can look for outsourcing non-core activities
- Should minimise reverse logistic processes like returns, damages etc

#### **CONCLUSION**

In today's world, any organization to have successful way ahead has to implement supply chain directly or indirectly in to their activities. To have efficient and effective SCM, organizations need to focus on certain parameters such as Cost, Infrastructure development – Information Technology, distribution and logistics, work force development, managing vendors - inventory and minimising waste, demand forecasting with no compromise on Quality, Delivery Speed and Consistency. Organizations should act proactively to address short product life cycle, High volatility, Low predictability and High impulsive purchasing. It is directly related to Financial Efficiencies such as Sales Numbers Achievements, Growths, and Margin Delivery by cost reduction, Clocking Profits, Return on Investments, etc. Thus, final outcome is Customer trust, repeatability, satisfaction & loyalty.

In today's environment, markets are turning to be more competitive, dynamic, and customer-centric as customers are demanding more variety, better quality and service, at right time and right pace with both reliability and faster delivery. To clock profits and growths, apparel firms will be required to be adaptive and anticipative by responding quickly. Supply chain visibility is about providing real time status on activities important for cost & revenue components so the other people related to it can understand and use to make actionable decisions. With the need for rapid response, a robust supply chain visibility platform is critical to this industry.

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