

Global Fashion Producers Gain Competitive Edge through Real-Time Controls



Today's apparel and fashion manufacturers are meeting intensifying demand for speed, quality, and value by implementing advanced real-time shop floor control systems.

The demands on apparel and other consumer goods producers have never been greater. While speed, quality, on time deliveries and value have always been at the core of the fashion industry, today's globally competitive and economically challenging business reality has intensified these drivers into something more aptly defined as a mandate for faster, cheaper, better products and performance in every area of the business. Manufacturers, of course, are expected to shoulder much of the responsibility for delivering these results.

As retailers and brands chase low labor costs across the globe, manufacturers in every region of the world are constantly required to improve their operations and service to remain relevant and competitive. Buyers are no longer willing or able to accept a lack of process visibility, unreliable production methods, inconsistent product quality, delivery delays, or unexpected costs. To ensure and sustain their success, savvy apparel manufacturers are taking steps to eliminate these and other practices that jeopardize their reliability and cost structure.

Traditional Wisdom vs. Modern Knowledge

As we have seen, low cost labor advantages alone are not enough to sustain long-term success. As apparel manufacturing matures in various regions, successful producers have responded by selecting competitive machinery, building effective facilities, and employing skilled workers and managers to position themselves in the competitive global market. But low labor costs and good equipment are simply entry-level requirements in today's demanding business environment.

When production schedules are not met and production falls short of established goals, traditional wisdom is to add more machines and operators to address the problem. While this may raise output, it also raises overhead costs. Adding machinery increases capital cost, utilities, facilities requirements, mechanics, parts usage, and other non-value added support costs. It also generates the need for more supervisory, engineering and administrative personnel. The result is increased overhead cost for a strategy that often does not solve the core production problems. All too often, low labor cost advantages are eroded by increased overhead costs without the benefit of an offsetting increase in production efficiency. In the end, adding machinery and people increases costs and does not increase labor efficiency.

While the underlying causes of production problems are not new, they can be difficult to solve using traditional thinking. Familiar challenges such as in-process order tracking, line balancing, personnel turnover, workforce management, low individual productivity, and quality monitoring all contribute to a lack of reliability and, eventually, competitiveness. Each element must operate in a timely and reliable way for the supply chain to work. This requires manufacturers to have high visibility into production activities and effective controls to manage them. Today's manufacturers must prioritize and master the concept of time to effectively manage their businesses.

Real-Time Shop Floor Control

A real-time production system utilizes individual operator terminals to gather information on all production activities precisely as they occur. This information is presented to operators to empower and motivate them with feedback on their individual performance and help them achieve predetermined

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Competitive Edge through Real-Time Controls

Benefits of Real-Time Shop Floor Control

- Increase Operator Productivity up to 25%
- Reduce Excess Labor Cost up to 20%
- Reduce Payroll Calculation Errors and Overpayment up to 4%
- Reduce Throughput Time
- Reduce Work In Process Inventory up to 35%
- Reduce Indirect Labor Costs
- Reduce Cost Of Bundle Ticket Printing
- Reduce Cost Of Producing the Net Payroll
- Reduce Bundle Handling Costs: up to 0.5 Minutes/Bundle
- Reduce Employee Turnover
- Eliminate Gunned Work Sheet Costs
- Eliminate Gross Payroll Calculation Costs
- Eliminate Lost Time At Time Clocks: 5-10 Min/Employee/Day
- Improve Management Execution and Decision Making
- Improve Line Balancing and Operator Utilization
- Improve Customer Service and Relations
- Improve Product Pricing
- Improve Product Quality

goals. Managers get a broader view of department or factory activity that they can use to establish realistic production goals and make faster and better informed production decisions throughout the shift. Managers become proactive rather than reactive.

It's a little like using a GPS to help guide an automobile on its journey. It would be difficult to end a journey of 1,000 miles at a specified time without a GPS unit to constantly provide feedback to the driver on how they are doing against their objective. To reach your destination on time requires making small adjustments along the way to compensate for things that are unforeseen or extra time that you may have taken at a rest stop, restaurant or gas station. In an apparel factory, the destination for operators is achieving a certain output and efficiency that allows them to increase their daily earnings. For the factory it is controlling costs, maximizing profits, controlling quality and ensuring on-time delivery of precise order quantities day in and day out.

In the normal course of interacting with their individual system terminal, operators provide the information the system needs to automatically generate detailed and up-to-the-minute production and work-in-process visibility. In fact, operators spend less time using the system than is required for traditional bundle system duties. But unlike manual bundle systems, operators see the effect of their production incentive as it is earned as production goals are reestablished and monitored throughout the day.

To help managers solve or even avoid potential production problems, the real-time system proactively advises on bottlenecks and recommends

potential work-around solutions before problems and excess costs escalate out of control. Quality problems too are being isolated as soon as they are discovered and the responsible operator identified in real-time so that the extent of the problem can be minimized. Even as products are being manufactured using the same methods as before, the system is monitoring and providing management visibility and operator's feedback and motivational tools that were never before available in such a timely fashion. These real-time tools empower everyone in the process to recognize and solve problems as they occur; and most importantly before they affect the customer or the bottom line.

Real Solutions for Today's Manufacturing Challenges

While today's production challenges are not necessarily new, they become more significant and difficult to deal with in today's high velocity and fiercely competitive fashion industry. Let's take a look at a few of the ways real-time technology can help solve these tough challenges.

Individual Worker Productivity: With real-time feedback and pacing tools, production workers become more aware of the value of their time. The system also frees up non-productive bundle handling time and eliminates other waste to allow operators to better utilize their time throughout the day and ultimately produce more.

In-Process Order Tracking: The real-time system automatically tracks all work-in-process and alerts managers when work is not flowing as required to meet production levels and customer order deadlines.

Production Line Balancing: Line supervisors use real-time data to identify production imbalances earlier, before they escalate. The system facilitates the movement of operators from one job to another to deal with absent or under-achieving workers.

Quality Assurance: The real-time system enables managers to measure and track quality problems to the source, making each operator accountable for the quality of units produced.

Cost Controls: Real-time reduces costs by simplifying the jobs of supervisors, engineers, operators, trainers, administrators, and managers. In virtually every case, the real-time system results in a productivity improvement of at least 10% and a dramatic increase in profits.

These are all operational characteristics that apparel producers need to become a more responsive, reliable, and trusted supplier to its customers. Even in lowest cost labor regions of the world, strategic improvements of this type are needed to ensure the service levels required to remain relevant to customers and sustain fleeting cost advantages.

Adding more people and machines to address production problems does not address any of these important challenges. Applying new knowledge, in form of real-time technology and the visibility and control they provide, will better equip apparel and fashion producers to solve these challenges.

Real-Time Use Cases

A New York-based leather coat maker deployed real-time controls to fifty operators and increased productivity by 40% while reducing order throughput time and improving overall plant efficiency.

A uniform manufacturer in Los Angeles who implemented a forty operator system with the goals of reducing production bottlenecks and streamlining customer delivery times realized a 100% return on investment in their first year.

A dancewear manufacturer in Missouri deployed over 400 real-time stations and saw a 40% gain in productivity while simultaneously reducing order throughput time and improving operator retention.

An Indian home fashion and apparel exporter with six production facilities implemented 2200 real-time stations and saw a 20% increase in productivity.

Strategic Improvements with BlueCherry® Shop Floor Control

- Improve Visibility/Flexibility/Competitiveness
- Make Better Informed & More Timely Decisions
- Balance Production & Improve Delivery Times
- Improve Product Quality & Reduce Chargebacks
- Improve Employee Morale & Reduce Turnover

Typical Savings with BlueCherry® Shop Floor Control

- Increase Operator Productivity by 5% - 25%
- Decrease Excess Labor Cost by 10% - 20%
- Reduce Work-in-Process by 10% - 30%
- Reduce Payroll Overpayment by 1% - 4%
- Reduce Printing/Handling/Payroll Costs

BlueCherry® Shop Floor Control (formerly Leadtec®) : The Leader in Shop Floor Control

For over thirty years, **BlueCherry®** Shop Floor Control has been the clear choice for more than 500 manufacturers around the world to streamline operations, increase worker productivity, and control costs.

BlueCherry® Shop Floor Control is a comprehensive shop floor data collection and control solution that benefits apparel and sewn-products manufacturers through improved profitability, reduced production costs, accelerated throughput time, and improved product quality. **BlueCherry®** Shop Floor Control customers consistently report a 100% return-on-investment in 12 to 18 months by realizing operator productivity improvements of up to 25%, labor cost reductions of up to 20%, and many other measurable cost savings. Moreover, **BlueCherry®** Shop Floor Control provides an opportunity to strategically improve the entire manufacturing operation with real-time visibility and control, increased efficiency and accuracy, operator feedback and motivation.

BlueCherry® Shop Floor Control can manage a mix of both real-time and batch data collection modes at the same location. With **BlueCherry®** Shop Floor Control, production employees use their own individual terminals with barcode slot readers or RFID scanners to account for their time, enter production activity, report off-standard problems, and track their performance throughout the course of their work day. These real-time terminals incorporate state-of-the-industry barcode and/or RFID capabilities, a simple keypad, and display to enable operator feedback and motivational tools. Operators utilize the terminal to clock-in and out, scan or key in information on the work that they perform throughout the day, and receive immediate feedback on their productivity and earnings performance. This interaction promotes better quality, communications, and employee morale.

BlueCherry® Shop Floor Control also utilizes advanced, real-time manufacturing management software that enables plant managers, supervisors, engineers, production planners, office and support staff to stay on top of all operations, track job status and actual costs, and react quickly to changing shop floor conditions throughout the day. It also enables automated, error-free payroll calculations and provides management with the visibility needed to better track, manage, and report on all aspects of production.

BlueCherry® Shop Floor Control delivers comprehensive shop floor statistics in "near real-time" by batching transactions for periodic updates. Either way, **BlueCherry®** Shop Floor Control gives manufacturers the visibility they need to gain unequalled control over individual results and factory-wide operations while empowering employees to become more confident and productive in their jobs.