



**University of Management and Technology**  
A Project of ILM Trust

## **Project Title: “Late Shipment Dilemma in Pakistan Apparel Industries”**

Submitted To:  
**Textile Committee**

Advisor/Supervisor:  
**Mr. Mushtaq Mangat**

Submitted By:  
**Faisal Karim (040420-032)**  
**Zahid Yasin (050520-004)**



Department of Textile Engineering  
University of Management and Technology  
Lahore

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### **Signed:**

Faisal Karim  
040420-032

Zahid Yasin  
050520-004

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## **Abstract:**

The project “Late shipment Dilemma in Pakistan Apparel industries” is regarding visiting two textile mills and getting two cases (By Air) from each mill, evaluating those cases and finding out the reasons for the delay. In the end finding solutions to solve these problems and implement in industry. The main purpose of this project is to highlight factors, from management and labor productivity point of view that ultimately turn into late shipment or cancellation of orders. Highlighting, its effects on future planning and orders either positively or negatively. This project might be successful in helping industry solving this issue.

## **Dedications:**

We dedicate this project to Allah Almighty who gave us time and courage to complete this project and to our families who supported us throughout the project.

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# **Chapter 1**

## **Introduction**

## **1. Introduction:**

### **1.1 Industry**

The final year project “Late Shipment Dilemma in Pakistan Apparel Industries”. It gives us an opportunity to work in group and to pin point the factors involving after analyzing the real life cases and to develop a solution that might bring effective results for its use at co-operate level. There are several industries who are working from many years, but they are also facing many problems in context to international market. One of the biggest problems especially in our Textile industry is late shipment and we want to minimize this problem after finding its main causes.

### **1.2 Introduction Active Apparel:**

The Active apparel is a reputable and leading manufacturer of textiles and they are working in different product range

Kints

Woven

Home textile

#### **1.2.1 Active Apparel International Pvt Limited**

Active Apparels International (Pvt.) Limited is a modern, fully integrated unit capable of producing cost effective garments as well as fabric.

Active apparel is most concerned about quality and quantity to their customers and contractors. A full-blown quality assurance program has been developed and is rigorously implemented. A system of 100% inspection, at supervisor’s level, followed by statistical sampling at the level of quality assurance managers is religiously followed. Details are followed at all stages of the process to ensure full conformation to the specifications.

Production Capacity: 12000 Dz/Month

Production Range: Men’s (65%) Ladies (20%) Boys & Kids (15%)

### **1.3 US Apparel & Textiles Limited**

Established in 1974, U.S. Apparel & Textile has achieved its goal of becoming a truly vertically integrated manufacturing facility. From cotton to finished garments, U.S Apparel is the complete solution for all your garments needs. They produce everything from fiber to the most elaborated hand craft fashion garments in denim, stretch and fats. In addition to quality fabrics and apparel we provide customers a perfect service package. Today we produce over 12 million garments per year for major brands and retailers across Europe and North America, Which is expected to increase 18 million garments a year by 2010 and 324 million garments by year 2012

Conveniently situated on the outskirts of Lahore, U.S Group's production facilities are situated on a hundred acres of land containing over 1.4 million square feet of construction space. As part of our social responsibility believe in enacting those policies which work towards the benefit of our 9000 employees and towards the betterment of the environment around us.

# **Chapter 2**

## **Project Objective**

## **2.1 Project Objective:**

The main purpose of this project is to highlight factors, from management and labor productivity point of view that ultimately turn into late shipment or cancellation of orders. Highlighting, its effects on future planning and orders either positively or negatively. This project might be successful in helping industry solving this issue.

During this study our main focus will be on following factors

- 1. Visiting Two Mills**
- 2. Two cases from each mills (BY Air)**
- 3. Study the cases**
- 4. Orientation and Investigation of each depts. Involved (Questionnaire)**
  - a. Marketing/Merchandising**
  - b. Finance**
  - c. PPC**
  - d. Commercial / MMC Depts.**
  - e. Production ( Cutting / Sewing / IE-Sewing )**
  - f. Quality Assurance**
  - g. P&D/R&D**
  - h. G.Processing ( Washing / Finishing / Packing )**
  - i. Expo Dept./Dispatching**
- 5. Identifying this dilemma root cause**
- 6. Solutions**

## **2.2 Project Out-come:**

After completing the project we would be able of finding the real factors involving in delays of any product in the industry. We might be able of giving valuable suggestions for the improvement in i.e.

- Management Systems ( Technical / Human / Conceptual)
- Planning
- Up-to-date Information / Feed Back
- Forecasting
- Risk Management
- Coordination and follow-ups
- Order Processing
- Production forecasting Method
- Monitor / Control

# **Chapter 3**

## **Literature Review**

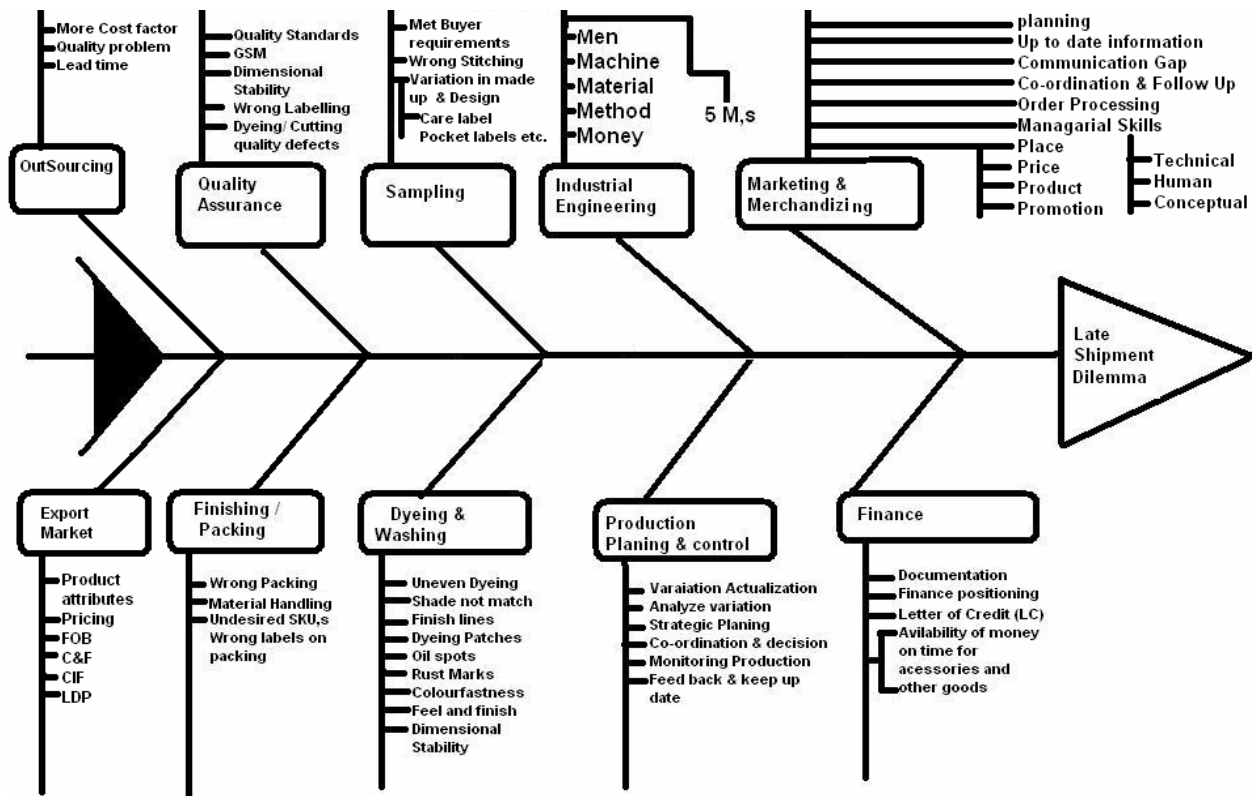
### 3.1 Late Shipment:

If Seller fails to ship on time, customer may purchase from elsewhere or may be delay or cancellation of order, or sending products in emergency with more cost, unless Seller's delay was due to unforeseeable causes beyond it (Lexmark standard,2002)

### 3.2 Departments Involved:

There are different departments involved in the production of goods and they work in line in accordance to each other, if there is little distortion in one department than it will automatically effect up coming departments and their working. Little disturbance in the start can lead to big troubles at end, which causes late shipment in the end.

#### 3.2.1 Fish Diagram:



(Faisal Karim & Zahid yasin, 2008)

### **3.2.2 Marketing**

Most people think that marketing is only about the advertising and/or personal selling of goods and services. Advertising and selling, however, are just two of the many marketing activities.

In general, marketing activities are all those associated with identifying the particular wants and needs of a target market of customers, and then going about satisfying those customers better than the competitors?

This involves doing

1. Market research on customers
2. Analyzing their needs
3. Making mix

Making strategic decisions about 4p,s product design, pricing, promotion and distribution (place).

“Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations, and events to create and maintain relationships that will satisfy individual (customer) and organizational objectives.”  
(Naseer, 1971)

### **3.2.3 Merchandizing**

Merchandizing is the process of identifying and understanding what target customer’s wants and providing their desired Textile Products to them in a certain price, lead time by making a communication bridge between customer and the company

1. Merchandizing can be termed as heart of making a product fails or pass
2. Merchandizing can be difference between winning and losing a project/ customer
3. Merchandizing finding new customers and markets
4. Merchandizing means retaining the customers and extracting more orders from them
5. Merchandizing means making the customers delighted/satisfied on one hand and bringing profit for the company on the other hand.
6. Merchandizing means making the communication bridge between the company and the customers.
7. Merchandizing means completion of a project/orders placed by the buyer as per its requirements in the right time, quality and quantity. (Naseer, 1971)

### **3.2.4 Finance**

A branch of economics concerned with resource allocation as well as resource management, acquisition and investment. Simply, finance deals with matters related to money and the markets

### **3.2.5 Production Planning Control**

The process of producing a specification, or chart of the manufacturing operations to be performed by different functions and workstations over a particular time period. Production scheduling takes account of factors such as the availability of plant and materials, customer delivery requirements, and maintenance schedules.

## Tasks

This role contains functions for processing planned orders in in-house production. You can use these functions to adapt planned orders to the exact current requirements situation and to then trigger the procurement of individual assemblies or components by converting the planned orders.

## Activities in Production Planning

Processing planned orders

Converting planned orders into purchase requisitions, production orders or process orders

Executing mass changes of planned orders

### 3.2.6 Procurement

Procurement is the acquisition of goods and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals

Simple procurement may involve nothing more than repeat purchasing. Complex procurement could involve finding long term partners that might fundamentally commit one organization to another.

Based on the consumption purposes of the acquired goods and services, procurement activities are often split into two distinct categories.

1. The first category being direct, production related procurement
2. The second being indirect, non-production-related procurement.

Direct procurement, which is the focus in supply chain management, directly affects the production process of manufacturing firms. In contrast, indirect procurement activities concern “operating resources” that a company purchases to enable its operations. It comprises a wide variety of goods and services, from standardized low value items like office supplies and machine lubricants to complex and costly products and services like heavy equipment and consulting services. (Defense Acquisition university press,2001)

#### 3.2.6.1 Procurement Systems

Another common procurement issue is the ‘timing’ of purchases. Just in Time is a system (commonly used by Japanese companies but widely adopted by many global manufacturers from the 1990s onwards) of timing the purchases of consumables so as to keep inventory costs low.

### Procurement Steps

Procurement life cycle in modern businesses usually consists of seven steps:

**Information Gathering:** If the potential customer does not already have an established relationship with sales or marketing functions of suppliers of needed products and services, it is necessary to search for suppliers who can satisfy the requirements.

**Supplier Contact:** When one or more suitable suppliers have been identified, Requests for Quotation, Requests for Proposals, Requests for Information or Requests for Tender may be advertised, or direct contact may be made with the suppliers.

**Background Review:** References for product/service quality are consulted, and any requirements for follow-up services including installation, maintenance, and warranty are investigated. Samples of the P/S being considered may be examined or trials undertaken.

**Negotiation:** Negotiations are undertaken, and price, availability, and customization possibilities are established. Delivery schedules are negotiated, and a contract to acquire the P/S is completed.

**Fulfillment:** Supplier preparation, shipment, delivery, and payment for the P/S are completed, based on contract terms. Installation and training may also be included.

**Consumption, Maintenance and Disposal:** During this phase the company evaluates the performance of the P/S and any accompanying service support, as they are consumed.

**Renewal:** When the P/S has been consumed and/or disposed of, the contract expires, or the product or service is to be re-ordered, company experience with the P/S is reviewed. If the P/S is to be re-ordered, the company determines whether to consider other suppliers or to continue with the same supplier. (Defense Acquisition university press, 2001)

### **3.2.7 Production of Samples and Order Collection**

The next step after the design in the fashion calendar is the production of samples. The Samples are shown to the retailers by market representatives at major trade shows or at the retailer sites. Some major customers may be also invited for on-site exhibitions. Most small companies accumulate all of their orders and then proceed with the production. As a result of capacity constraints in peak periods and recent trend of retailers willing to order much closer to and even during the selling season, some other companies have to commit themselves to some or all of their production volume prior to gathering all their actual orders. (Hammond and Raman, 1994)

There are different types of samples in garment industry

1. Prototype Samples
2. Size-Set Samples
3. Salesmen Samples
4. Pre-production Samples
5. Production/Shipment samples
6. Testing Samples