Workwear:
Determining Value in a Global Marketplace

Cost-effective steps for safeguarding quality and consistency

By Jim Buchbinder

A few years ago, most workwear was manufactured in the United States. Production then shifted to Latin America and, more recently, to Asia.

In today's highly competitive environment, it's natural that operators are examining their options for reducing costs in key areas. Merchandise costs certainly qualify as one of these. In recent years, competition has spurred major changes among garment manufacturers. Less than 20 years ago, the majority of industrial garments were manufactured in the United States. Ten years ago, the majority of industrial garments were manufactured in Central America and Mexico. The latest trend is the sourcing of garments made in Asia. The labor costs at both mills and assembly plants, along with favorable trade regulations, has created a cost advantage for these products, which has translated into potential cost savings for operators. The purpose of this article is to identify all the issues you should explore before making the very significant decision to change your supply source.

Five keys to overseas sourcing

Let's consider five areas related to sourcing garments from Asia that could impact the services you provide your customers:

- **Fabric supply sourcing**
- **Assembly process**
- **Distribution**
- **Breadth of product offering**
- **Marketing**

Fabric supply sourcing may not be an item that you've thought about before. After all, isn't it the garment manufacturer's responsibility to choose a supplier for the fabric? And isn't all fabric pretty much the same? In the days when garments were manufactured in the United States, there was good reason to believe that the supply would be plentiful and the quality consistent. The manufacturer and the mill had long-established relationships and worked hand in hand. By contrast, the Asian model relies on different mills, many of them newly established. Some facilities use equipment passed down from other mills that have installed new methods to save labor. The Asian mills can purchase old equipment cheaply and rely on their advantage in labor costs to stay competitive. None of this matters to the operator, unless there's an impact on the quality and consistency of finished goods that are purchased. Given the potential risks outlined above, I recommend that you get answers to the following questions before committing to a new source:

- Has the manufacturer tested the mills that they use to your satisfaction?

- Is there a solid commitment to produce the fabric, or does the mill divert its capacity to more lucrative markets when the opportunity arises?
- How many different mills does the manufacturer now use and how tight are its tolerances on color, weight, weave, etc?
- What type of historical performance data is available for both the manufacturer and its mills?

I know of one large uniform rental company that had to replace every single pair of pants issued to a large customer because the manufacturer used fabric with unacceptable shrinkage performance when processed in an industrial laundry. The potential cost savings were negated many times over by this failure of the mill, the manufacturer and the operator to perform their due diligence.

Another important area to consider is the manufacturing or assembly process itself. It's not unusual for a supplier not to own the facilities that are used. If products are manufactured using a subcontractor, you should ask how much control your supplier has over the finished product. Whether or not the supplier owns the facility, you should ask the following questions:

Are there acceptable housekeeping standards practiced? If not, there can be an adverse effect on the products you receive.

Are there fair and humane work practices in place at the facilities? Moral considerations aside, a current or potential customer could ask you this question. Are you prepared to answer with confidence in your sources of information?

What procedures are in place to assure quality products? Is there standardized testing in place? Are there written standards for tolerances on fit and appearance items? Is the manufacturer of notion items such as thread, buttons and zippers specified? Are there defined tolerances on fabric shading, especially if different mills are used? How often will the cut specifications be modified and will you be notified ahead of time?

All of these issues have the potential to create problems for you and your customers.

As manufacturing has moved farther away from the intended market, distribution methods have grown more complex and problematic. A longer supply chain is less predictable than a short one. What has the manufacturer done to compensate for this? Is there sufficient inventory in the United States to compensate for mill, production and customs issues, should they arise? Perhaps you've been offered consignment inventory to compensate for potential delivery issues. Have you calculated the cost of the space and labor needed to manage this? It's often easier for employees to pull new products from consignment, rather than utilize used inventory. Have you put measures in place to prevent this from happening? Who will bear the cost of freight and tariffs? It must be included in your cost comparison to accurately assess the relative merits of each supplier. In the event of distribution delays, are there people who can provide recourse to resolve the service problems that are created?

Another important consideration is how wide-ranging is the product offering by the potential new supplier. Can the new supplier provide all colors and sizes for a product line? If not, you'll be relying on a different supplier to supply extra-large sizes or different colors. Does this create sizing or shading issues? By diverting your highest-volume products from your current supplier, you may end up increasing the cost of the products that you continue to purchase from them. How so? Splitting your purchases between two suppliers can affect volume discounts that you currently receive. If your new supplier can provide all of your products, then this won't be an issue. If your new supplier is going to be your primary supplier, can they keep up with the current trend to diversify your offering with more stylish workwear items than straight solid colors?

Many smaller independent operators have relied on their manufacturer to provide marketing assistance to compete with large com-

Your supplier should provide you with information about the conditions under which apparel was produced so you can answer questions with confidence.

petitors that manufacture their own garments. Diversifying with several different manufacturers can complicate these joint marketing efforts. Each company's marketing department must ask "How important is brand awareness for the garments and linens that we provide?"

Satisfying customers

Each of the five factors noted above could play a role in your decision to use an Asian manufacturer. Clearly, however, the most important factor is whether the products that you are purchasing and providing to your customers are satisfactory. Below are suggestions to help you assess the suitability of workwear sourced from Asia:

Don't short-change garment testing for fit and quality. Wear the apparel under real-world conditions, and take measurements after washings to track changes.

1. Put your requirements in writing. There are many critical items involved in manufacturing garments. And you'll be purchasing thousands of units. Fabric, thread, buttons, zippers and labels vary widely in terms of quality. Other key elements such as shading, shrinkage and tolerances can be the difference between satisfied customers and major service problems. Putting your requirements in writing forms the basis for assessing the suitability of the product.

2. Check references. Talk to other companies using the product that you're considering. Ask if you can see product that's in service and examine it for any potential problems. If appropriate, ask people in the plant that you're visiting if they've experienced any problems.

3. Wash and wear test. So often companies are in a hurry to test new product. In the interest of making a quick decision, they'll see how many "washes" that they can put a product through in a week. The true test comes from wearing the garment, getting it dirty, washing, drying and finishing. Wearing the garment tests stress points and allows someone to give you an opinion on fit and features. You don't want to wait for your customers to provide you with a first notice of any problems. It's also important to "stay tuned" during testing. It's easy to delegate this process and not be thorough in soliciting comments from those involved in testing. You should talk to the individuals actually wearing the garments (or wear them yourself), and talk to the people who are inspecting or mending the garments. Make sure your testing procedure includes a tape measure. Log critical measurements after each five washings. Hold on to this data. You may need it for reference if you experience performance issues later.

4. Look for problems on the fringes. Uncommon sizes or colors are more prone to problems, whether in manufacturing or distribution. Make sure that your testing includes these products.

5. Start small. When you decide to actually offer products from a new supplier, start with one product and one customer. If you have problems, this will keep them on a manageable scale.

Careful scrutiny pays off

As you explore opportunities to cut costs and provide more value to your customers, these guidelines can help you conduct a thorough evaluation of workwear sourcing options. Doing this research up front will go a long way toward ensuring that your purchasing decisions will pay off for you and your customers. **TR**

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