

---

# UNIT 1 SOURCING FOR APPAREL

---

## Structure

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Sourcing Strategy
- 1.3 Types of Sourcing
- 1.4 Process of Sourcing
- 1.5 Types of Suppliers
- 1.6 Factors Affecting Sourcing of Fabric and Trims
- 1.7 Let Us Sum Up
- 1.8 Keywords
- 1.9 References and Suggested Readings
- 1.10 Check Your Progress – Possible Answers

---

## 1.0 OBJECTIVES

---

Sourcing refers to the procurement practices to find, evaluate, and engage suppliers to acquire goods and services. Sourcing of raw materials such as fabrics is one of the critical functions of a garment/apparel merchandiser. It is the process of determining the most effective vendor of the required material providing specified quality at the lowest cost. The present Unit discusses sourcing of materials in detail including types of sourcing, process of sourcing, factors affecting sourcing, etc. After completing this Unit you will be able to learn about the following:

- Explain the buying decisions for sourcing
- Identify the relationship of a critical business function to material and sourcing
- Discuss purchase criteria for sourcing materials
- Explain the formulation of sourcing strategy and its implementation

---

## 1.1 INTRODUCTION

---

Sourcing determines how and where the material will be purchased to manufacture a garment. In other words, sourcing is simply a process of identifying and selecting suppliers. It also refers to finding, evaluating, and engaging the suppliers aimed at purchasing the desired items at a reasonable cost. Generally, the sourcing process involves preparing a database for sourcing, selection of suppliers, price negotiation with suppliers, planning and purchasing.

The world has become an open market for sourcing, buying, and selling any material required for the apparel industry. The merchandiser must understand the complexities of domestic and international sourcing. Sourcing is the

primary responsibility of the merchandiser that can now be done directly and indirectly. Direct sourcing would require the merchandiser and sourcing department to directly deal with the identified suppliers and purchase material from them. Or else they can also approach a sourcing agent to facilitate the sourcing process. They procure all the materials from different suppliers after analyzing their product quality. The merchandising and sourcing department coordinate sourcing and looks after all the material delivered at the scheduled time and cost. Good sourcing executives are expected to know materials, quality assurance/standards, costing, and import legislation/restrictions on certain materials (in the case of international suppliers). They must understand international business policies and legal procedures for material sourcing. They need to identify a domestic and global supplier base by studying and glancing the catalogs, magazines, trade journals, and websites. Sometimes, relevant trade organizations and relative government bodies give lists of suppliers to ease and hasten the supply process.

A supplier is considered for selection based on price, quality standards, capability to complete orders, and timely delivery. Sourcing decisions can build and smash the image of an apparel industry; therefore right sourcing decision provides efficiency and flexibility to meet the supply chain needs within the time frame.

---

## 1.2 SOURCING STRATEGY

---

Garment businesses are currently juggling the sourcing strategy to target their destination markets. Apparel sourcing is evolving daily with changing trade structures and tax regulations of several countries. Hence, it is essential to know how to make strategies for sourcing.

Sourcing is a subsection of procurement that deals with locating an organization's goods and services in the right market. Strategic sourcing aims to improve quality and service while reducing the cost of purchased materials, products, and services. In strategic sourcing, the first step is to identify the material, product, and service specifications. The merchandiser analyzes the expenses of raw materials and assesses sourcing organizations according to their services.

Apparel sourcing is also crossing borders to find suitable destinations for desired products globally. Apparel brands and retailers prioritize sourcing to get more exposure for their products and maximize their profits, while choosing sourcing destinations, they consider the following points. :

- It should be cost-effective
- Raw-material prices should be according to the buyer
- Quality of material must be good
- Location of the suppliers must be approachable
- Trade regulations as per the country under consideration
- Advance technologies should be adopted by the suppliers

### 1.3 TYPES OF SOURCING

#### Material Sourcing

The raw material of the garment, such as fabric and trims, can be sourced separately from different suppliers.

1. **Fabric Sourcing:** The fabric sourcing department mainly manages fabric sourcing under the merchandising department. It is occupied with two types of bundles of fabric, i.e., checked fabric bundle and unchecked fabric bundle.

- **Checked Fabric Bundle:** The fabric undergoes the inspection of quality, colour, measurement, fiber specification, etc. This process minimizes rejection of cut panels due to fabric defects.
- **Unchecked Fabric Bundle:** This bundle is not checked for a few reasons. The unchecked fabric can be used in the future for research and sample development.

Apparel manufacturing companies source fabrics from mills, knitting plants, and power loom mills. The fabric is manufactured for big orders. Small-scale industries produce fabric from traders instead of approaching mills. Everything in the sourcing decision depends upon the buyer's requirements. The process flow chart is given below for fabric sourcing:

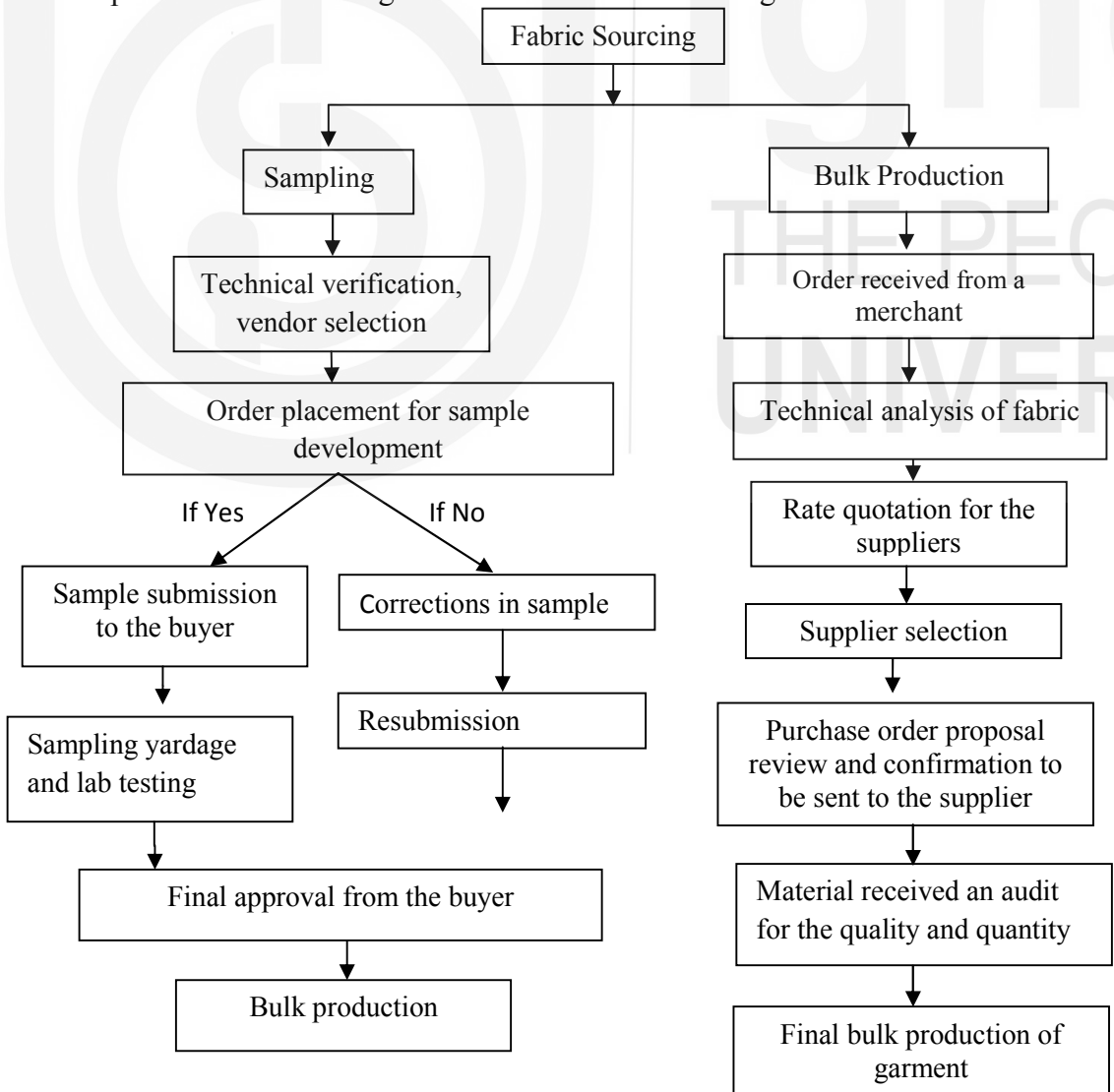


Figure 1.1 Process Flow Chart For Fabric Sourcing

Fabric sourcing in apparel industry is done for sampling purpose as well as for mass production. At the initial stage, fabric is purchased for sampling only. The prepared sample is shown to the buyer and after getting approval; the merchandiser places orders for fabric for mass production of the garment. Rate quotations from the suppliers are received and supplier has been finalized for placing purchase order for materials. When the company receives the material at the right time, inspection and auditing occur for the fabric's quality, quantity, and colour. Finally, the mass production of garments begins in the industry.

2. **Sourcing of Trims:** After sourcing the fabric, merchandiser and sourcing department focus on the procurement of trims. Trims are used in the sewing section while stitching the garment. A variety of trims like zippers, buttons, lining, cords, labels, patches, stickers, etc., are used in the garments. Trims and accessories suppliers also play an integral part in the apparel industry. Most of the trims are readily available locally. Special trims may be imported from the suppliers.

Different materials are sourced from various sourcing destinations including the domestic and international market. Let's discuss different types of sourcing destinations.

### **Types of sourcing:**

According to the destination, two types of sourcing are discussed in the apparel supply chain.

1. **In-House Sourcing:** It refers to routine procurement and supply of required materials from within a company or by its subsidiary textile mill. For example, some apparel production industries have textile mills that can produce fabric according to their requirements and use it in-house instead of sourcing it from outside.
2. **Outsourcing:** Some companies usually outsource the material and services to tap into their market. It includes contracting with external organizations to provide supplies and services. Outsourcing can be done from different sources, such as:
  1. **Local Manufacturers:** Fabric manufactured is readily available, within the local infrastructure saves a lot of time and cost incurred on the supply chain. Most of the small apparel industries procure materials from local manufacturers.
  2. **Traditional Export Houses:** The local fabric can also be exported to garment manufacturing countries. Sometimes an apparel industry does source material from conventional exporters. They maintain high quality standards for the material. Therefore, the sourcing department can select them according to the material availability.
  3. **International Sourcing:** Fabric parameters that meet the demands of the buyer which cannot be procured by domestic market need to be obtained from international markets. Furthermore, special or innovative fabric materials can also be procured from an international manufacturer or

supplier. For an example, this could be cut resistant and fire resistant fabrics like Nomex and Kevlar which is used for sports, uniforms etc. All the required parameters and images are attached through the mail and can send suppliers anywhere globally. Sometimes physical fabric swatches are also sent to the supplier if needed. If all the parameters match the buyer's requirement, both parties go for the price negotiation. After the settlement, both parties agree on price and quality, and then the merchandiser place the orders for the material. For outsourcing, merchandisers should contact a reliable and well-reputed supplier. While focusing on the supplier's product quality and price, it is important to check their reputation as well.

4. **Off-shoring:** It is a sort of exchange. Raw material i.e., yarns or fiber is exported first, and then re-imported as a fabric to fulfill the demand.

Often, locally manufactured fabric is utilized to meet the company's demand. If, the manufacturing cost is too high or adequate infrastructure is unavailable, then off-shoring or global manufacturing is opted. The export order processing is the responsibility of the production merchandiser. The merchandiser is well aware of the buyer's requirements regarding fabric and the lead time of the whole process. Therefore, sourcing decisions are critical to the success of every garment manufacturing industry.

---

## 1.4 PROCESS OF SOURCING

---

While identifying the supplier for the material, the merchandiser and marketing department has to collaborate with the buyer. They are the ones who initially raised the need for the purchase and are transacting with the selected supplier. There are some steps for sourcing as discussed below:

1. **Analyze the need for sourcing:** To understand and analyze the need for sourcing, merchandisers ask their team and customers as many questions as possible to identify their requirements. As a purchaser, the merchandiser has to recognize the buyer's needs and translate their specifications to the supplier for providing material. The process of developing specification for the requirement includes the following four steps;
  - 1 Assess customer needs
  - 2 Assess what the market has to offer
  - 3 Write down required and available material specifications
  - 4 Define winning criteria
2. **Conduct market research:** The merchandising team conducts market research and gathers information about the availability of the material in the market. They collect all the data and information about materials across the countries. Then compare them to identify the most cost effective and profitable source.
3. **Evaluate the supplier's market:** The merchandiser's team evaluates suppliers before finalizing. They consider their financial statements,

credit reports, and references while selecting suppliers. After identifying the suppliers, the buyer has to call for quotations from suppliers and formally approach them via digital platform "Request for Information" on their websites or the portals in which they are listed. It is the formal process of data collection about the supplier to analyze the capacities of the suppliers.

4. **Negotiation with suppliers:** Negotiation is essential to creating maximum value on a minimal budget. At the negotiation stage, the buyer analyzes the offers and selects the most promising suppliers to negotiate with. The merchandiser team sits with them to discuss the strategy and negotiate for the best deal. They discuss pricing structure, the scope of work, time of delivery, and terms & conditions.
5. **Contract discussion:** Finally, the merchandiser prepares a formal contract with the supplier. The agreement mentions all finalized details about the pricing structure, the scope of work, delivery time, payment system, recovery of losses, and conditions for calling off the deal.

At last, the merchandising and marketing department assigns Bill-of-Material (BOM) to the cost management team and purchasing department for further processing. The concerned person will start managing in-house pricing for costing. While doing in-house pricing, the material cost is added with the 2% tax, 14% exercise duty, and 10% transportation charges with a 5% margin. This breakup is given to the merchandiser by the purchasing department for costing purposes. The merchandisers make a cost sheet and the buyer confirms the order for manufacturing; then the merchandiser determines the exact quantity of raw material and trims required to complete the order. Merchandiser gives all requirements to the purchasing department as a sheet format, which is known as purchase requisition. This sheet is followed in the industry for all the orders irrespective of the buyer. Once the purchasing department receives this format, than purchase order is sent to the concern department.

---

## 1.5 TYPE OF SUPPLIERS

---

Sometimes the suppliers are recommended by the manufacturing company or the buyers. Sometimes manufacturers have to identify the suppliers. There are two types of supplier categories, namely, nominated supplier and non-nominated supplier.

1. **Nominated Suppliers:** Nominated suppliers are typical in the garment industry. The buyers enter the nomination of a supplier to control the supply chain quality. The buyer nominated suppliers delivers good quality raw materials without any defects. The main aim of the selected supplier is quality assurance of the material and saving time for procurement because the suppliers already have experience in this area.
2. **Non-Nominated Supplier:** Sometimes buyers only provide the specification of raw materials and garment manufacturers do the material sourcing. Garment manufacturers identify their suppliers for the raw material. Non-nominated suppliers have to sustain their business; hence



they try to provide the best material at the best price to garment manufacturers. There is scope for garment manufacturers to explore innovative products and competitive pricing with their suppliers.

### Types of Market Suppliers

The market has three types of suppliers (manufacturers, wholesalers, and retailers). Depending on the quantum of the order, the apparel merchandiser approaches any of the following suppliers.

- A. Manufacturer:** In case of big orders and to meet the garments buyer's order criterion, merchandisers approach manufacturing mills to manufacture fabric with detailed specific requirement to source the order directly from the manufacturer.
- B. Wholesaler:** The wholesaler usually has a tie with fabric and trim manufacturers. They usually keep a stock of minimum quantity of material for their consumers. The minimum amount of stock is 500 meters and above. They accept the order for only this quantity or above. If this meets the garments merchandiser's order requirement, the merchandiser can source the order from the wholesaler.
- C. Retailer:** The retailer plays an important role as the supplier of trims and fabrics. The retailer generally does not have a benchmark of minimums to accept the order. The apparel merchandiser can buy 1 meter to 100 meters or even more as per the design or color. The requirements of the merchandiser can be low for various reasons, such as-
- The buyer's requirement for the order quantity is small; the garment merchandiser may accept such a small order to please the buyer, who continuously feeds them with orders throughout the year.
  - A small order quantity may be due to the requirement being only for a part of the garment, like a yoke, collar, etc.

### Check Your Progress I

**Note:** Use the space provided for your answer

- 1) What are the supplier selection criteria used by merchandisers?

.....

.....

.....

.....

- 2) Explain different types of suppliers.

.....

.....

.....

.....

---

## 1.6 FACTORS AFFECTING SOURCING OF FABRIC AND TRIMS

---

Factors affecting material sourcing are discussed as below:

1. **Lead time:** Material sourcing is a very time-consuming process that includes many approvals for the quality of material, such as lab-dip approvals, trim and artwork approval, and fabric packaging approval. Fabric sourcing takes a lead time of 30-60 days, according to the requirement of the fabric type. If buyers require a specific type of dyed fabric type, it may take more lead time to process the fabric. The merchandiser needs to fix the supplier based on the fabric type, specified colour code, and delivery time keeping in mind the buffer time required to complete the export order. If the fabric is outsourced globally, then the time required for transportation is added to the lead time. Same consideration goes for the sourcing of trims.
2. **Logistics:** One of the main factors which affect fabric sourcing drastically is logistics. Owing to technological advancements, there are several national and international acclaimed logistic companies that offer pickup and delivery services at a large scale. Several aspects that need consideration while finalizing the order transportation and delivery partner includes the time required for transportation, secure infrastructure required for material loading, unloading & storage, and the overall cost. The time required to transport the material is crucial to accurately achieve lead time of procurement. The absence of adequate infrastructure may significantly lead to delays or cause unwanted losses during material procurement. The cost of transportation affects final price of the end product; hence merchandisers should consider reasonable logistics partner while placing the order with a supplier.
3. **Quality parameters:** The demand for high-quality at a low cost drives more companies to outsource manufacturing overseas. The ability to produce quality fabric and trim, consistently depends on several factors. Two main factors are the advance technology and skill of the workforce to make a wide range of fabrics and trims. Another critical factor is the accuracy of written communications and instructions from the garment manufacturer/apparel merchandiser. If a company has these three things fixed, they will never be short of orders.
4. **Sourcing costs:** The sourcing decisions are taken based on the cost of manufacturing. Nowadays, garment exporters make strategic bonding with vendors. The buyers also make bonding with vendors and recommend them for sourcing, this is called nominated vendors. The sourcing cost depends upon the following factors such as:
  - **Manufacturing cost:** The sourcing cost is directly related to the manufacturing cost of the material. The manufacturing cost of materials increases due to significant variation in the cost of raw material for e.g. periodical change in the prices of petroleum products commonly employed in manufacturing synthetic fabrics



and trims, maintenance of infrastructure/machinery, finishing auxiliaries and skill of workers.

- **Cost of logistics/transportation:** The distance of destination of sourcing and delivery location add more to logistics and transportation costs. The greater the distance, the higher would be the cost.
- **Incoterm negotiation (for international sourcing):** Incoterms are a set of global rules which define the responsibilities of sellers and buyers in the export transaction. When sourcing has been done globally incoterms negotiations take place, adding more cost in legal formalities.

The sourcing cost is also optimized while fabric and garment manufacturing units are under one roof or closer to each other. Sometimes, suppliers air freight the materials due to delays in manufacturing which leads to higher freight expenditures.

5. **Minimum Order Quantity (MOQ):** It is the essential factor that affects sourcing. Every supplier requires MOQ for the production of fabric and trims; otherwise, the cost of production increases which affects the cost of the final product. If a garment exporter places the order of raw material below MOQ, then generally cost will be more. Hence, throughout the supply chain, MOQ is maintained to achieve a reasonable cost of production.
6. **Ordering specifications:** Garment exporters must give specifications to the supplier for the accurate raw material. The ordering specifications are provided below:

Raw material	Ordering specification
<b>Fabric</b>	<ul style="list-style-type: none"> <li>• Fabric design (desk loom)</li> <li>• Fabric swatch (if provided by buyer)</li> <li>• Lab-dip/colour standard</li> <li>• GSM (Gauge in case of knitted)</li> <li>• Yarn count</li> <li>• Cuttable fabric width</li> <li>• EPI/PPI (End Per Inch/ Picks Per Inch)</li> <li>• Fabric finish</li> <li>• Requirements of dyes and finishing chemicals</li> <li>• Unit of measurement i.e. meter/ yard for woven and KG for knitted</li> <li>• Order quantity</li> <li>• Shrinkage tolerance</li> <li>• Fastness properties</li> </ul>
<b>Buttons</b>	<ul style="list-style-type: none"> <li>• Raw material i.e. wood, nylon, etc.</li> <li>• Colour (sample provided by buyer)</li> <li>• Unit of measurement i.e. inches, cm, mm etc.</li> <li>• Quality parameters</li> </ul>

	<ul style="list-style-type: none"> <li>• Button strength</li> <li>• Colour fastness</li> <li>• Order Quantity</li> </ul>
<b>Zippers</b>	<ul style="list-style-type: none"> <li>• Raw material i.e. metal, nylon</li> <li>• Colour</li> <li>• Length</li> <li>• Type of puller</li> <li>• Zipper finish</li> <li>• Fastness properties</li> <li>• Zipper strength requirements</li> </ul>
<b>Thread</b>	<ul style="list-style-type: none"> <li>• Colour i.e. thread run</li> <li>• Thread specifications i.e. 2 ply, 3 ply</li> <li>• Fibre type i.e. filament yarn, or staple yarn</li> <li>• Thread ticket no. (thread count)</li> <li>• No. of cones</li> <li>• A meter of thread content on cone i.e. 1000, 5000 meters.</li> <li>• Finish</li> <li>• Thread construction</li> <li>• Fastness properties</li> <li>• Strength</li> <li>• Heat sensitivity</li> </ul>
<b>Label</b>	<ul style="list-style-type: none"> <li>• Type of label i.e. printed, jacquard</li> <li>• Design specification of label</li> <li>• Size specification of label</li> <li>• Colour combination</li> <li>• Font type</li> <li>• Font size</li> <li>• Line spacing</li> <li>• Care instructions type</li> <li>• Fastness properties</li> <li>• Dimensions of the label</li> </ul>
<b>Polybag</b>	<ul style="list-style-type: none"> <li>• Polybag Thickness</li> <li>• Raw material specification e. polyethylene. Polypropylene etc.</li> <li>• Colour</li> <li>• Dimensions</li> <li>• Specification of print on polybag</li> <li>• Type of closure</li> <li>• Type of dents</li> </ul>

<b>Cartons</b>	<ul style="list-style-type: none"> <li>• No of plies i.e. 3,7</li> <li>• Raw material</li> <li>• Dimensions</li> <li>• GSM of the paper</li> <li>• Print specification of cartons</li> <li>• Type of carton</li> <li>• Dimension tolerance</li> <li>• Bursting strength</li> </ul>
<b>Interlining</b>	<ul style="list-style-type: none"> <li>• Fibre content</li> <li>• Construction specification i.e. woven/non-woven</li> <li>• GSM</li> <li>• Colour</li> <li>• Fastness properties</li> <li>• Fusible /non-fusible</li> <li>• Shrinkage</li> </ul>

**General lead time requirement for domestic and overseas sourcing:** This lead time depends upon the quantity and the ideal condition of material to be sourced. In any emergency, the supplier can also supply the fabric in less duration.

### Check Your Progress II

#### Fill in the Blanks

- 1) The developing specification has four steps \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
- 2) The time taken to complete the order is known as \_\_\_\_\_.
- 3) The supplier nominated by the suppliers is known as \_\_\_\_\_.
- 4) BOM stands for \_\_\_\_\_.
- 5) MOQ stands for \_\_\_\_\_.

## 1.7 LET US SUM UP

In this Unit, you have studied the broad parameters of sourcing materials. Sourcing is one of critical activities of apparel industry that directly impacts the cost and operations. Sourcing is the process that requires planning to identify the suppliers to get good quality products and services. Strategic sourcing aims to improve quality and service while reducing the cost of materials. The world has become open for sourcing good quality material. As a buyer, the merchandiser identifies the sourcing destination and translates consumers' specifications to them to provide material. According to the sourcing destination, the apparel supply chain includes two types: in-house sourcing and outsourcing. Some apparel industries produce the material in-house and some outsource material from local and global manufacturers.

The sourcing process begins with analyzing the sourcing need to contact with the suppliers. This process includes analysis of the requirements of material, market research for the availability of material, evaluating suppliers and finally preparing a formal contract with the suppliers. Identifying and evaluating the supplier is very important in the sourcing process. The main purpose to evaluate the supplier is to reduce purchase risk and maximize the overall value of the purchase. While evaluating the suppliers, merchandisers considers various factors such as lead time, quality and cost of material, etc. There are different factors that also affect material sourcing such as lead time, logistics, quality of material, sourcing cost, MOQ, and order specification. Leading apparel industries modify their sourcing process to improve standards throughout the value chain and to fulfill the demands of consumers within the time.

---

## 1.8 KEYWORDS

---

The apparel industry has its language for sourcing and manufacturing. These terminologies also help to navigate fabric sourcing like a pro.

**Sample Yardage:** Sample yardage is the fabric we order when designing and developing samples. Most fabric suppliers demand a five-yard minimum order for sample yardage.

**Bulk Yardage:** Bulk yardage is the fabric ordered after designing, developing, and approving garments. Bulk yardage refers to the more significant quantity of fabric yardage bought to manufacture products.

**Purchase Order (PO):** Purchase order is the legal document that buyer send to the supplier to authorize the purchase. It indicates type, quantity, quality and agreed price for product and services.

**Sourcing:** It is a process of obtaining goods and services from a manufacturer either from domestic or global market.

**Value Chain:** A value chain is a set of activities to deliver a valuable product or service.

---

## 1.9 REFERENCES AND SUGGESTED READINGS

---

1. Berg, A., & Hedrich, S. (2014). What is next in apparel sourcing? Retrieved from [http://www.mckinsey.com/media/McKinsey/Industries/Retail/Our%20Insights/Whats%20next%20in%20apparel%20sourcing/Whats\\_next\\_in\\_apparel\\_sourcing.ashx](http://www.mckinsey.com/media/McKinsey/Industries/Retail/Our%20Insights/Whats%20next%20in%20apparel%20sourcing/Whats_next_in_apparel_sourcing.ashx)
2. Berg, A., Berlermann, B., & Hedrich, S. (2013). The global sourcing map: Balancing cost, compliance, and capacity. Retrieved from [http://www.mckinsey.com/-/media/mckinsey/dotcom/client\\_service/retail/articles/the\\_global\\_sourcing\\_map\\_balancing\\_cost\\_compliance\\_and\\_capacity.ashx](http://www.mckinsey.com/-/media/mckinsey/dotcom/client_service/retail/articles/the_global_sourcing_map_balancing_cost_compliance_and_capacity.ashx)
3. Berg, A., Hedrich, S., Kempf, S., & Tochtermann, T. (2011).

- Bangladesh's ready-made garment landscape: The challenges of growth. Retrieved from [https://www.mckinsey.de/files/2011\\_McKinsey\\_Bangladesh.pdf](https://www.mckinsey.de/files/2011_McKinsey_Bangladesh.pdf)
4. Beron, R. (2014), Opportunities and challenges in Asia's apparel and textile Sector. Apparel Magazine. Retrieved from <http://apparel.edgl.com/news/Opportunities-and-Challenges-in-Asia-s-Apparel-and-Textile-Sector91123>
  5. Better Work. (n.d.). Case study: Fire and building safety in the ready-made garment sector of Bangladesh. Retrieved from <http://www.betterwork.org/global/?p=4321>
  6. Birnbaum, D. (2005). "Sourcing: A must for clothing in suppliers,". International Trade Forum, 3, 5.
  7. Brown, P., and Zukerman, A. (2012). Developing leaner product development and sourcing operations. Apparel Magazine. Retrieved from <http://apparel.edgl.com/news/Developing-Leaner-Product-Development-and-Sourcing-Operations83887>
  8. CBI Market Information Database. (2013). Key performance indicators: Vietnam. Retrieved from <http://www.cbi.eu/sites/default/files/files/VIETNAM.pdf>
  9. CBI Market Information Database. (2014). Supply chain trends in the apparel sector. Retrieved from [http://www.cbi.eu/search/?cbi\\_search=trends+in+the+apparel+sector&submit=search](http://www.cbi.eu/search/?cbi_search=trends+in+the+apparel+sector&submit=search)
  10. Choi T.M and Cai, Y.J. (2020). "Impacts of lead time reduction on fabric sourcing in garment production with yield and environmental considerations," Annals of Operations Research, 290, 521–542.
  11. Ganesan S., George, M., Jap, S., Palmatier, R.W., Weitz, W. (2009). Supply chain management and retailer performance: emerging trends, issues, and implications for research and practice, Journal of Retailing, 85, 84-94.
  12. Garment Merchandising by R. Rathinamoorthy and R. Surjit
  13. Gereffi, G., and Memedovic, O. (2003). The global apparel value chain: What prospects for upgrading by developing countries?. Retrieved from [https://www.unido.org/uploads/tx\\_templavoila/Global\\_apparel\\_value\\_chain.pdf](https://www.unido.org/uploads/tx_templavoila/Global_apparel_value_chain.pdf)
  14. Hong-yan, L. (2010). "Garment Merchandising and Design and Development [J]," J. Anhui Vocat. Coll. Electron. Inf. Technol., 1
  15. <https://garmentsmerchandising.com/sourcing-for-garments-merchandiser-and-its-importance/>
  16. <https://www.fibre2fashion.com/industry-article/8447/9-steps-to-formulate-right-sourcing-strategy-for-the-textile-and-apparel-industry>
  17. <https://www.mckinsey.com/~media/McKinsey/Industries/Retail/Our%2>

0Insights/Whats%20next%20in%20apparel%20sourcing/Whats\_next\_in\_apparel\_sourcing.pdf

18. Petreca, B., Atkinson, D., Bianchi-Berthouze, N., Furniss, and Barley, S. (2014). "The future of textiles sourcing: exploring the potential for digital tools,".
19. Rivoli, P. (2014). *The Travels of a T-shirt in the Global Economy*. Hoboken, NJ: John Wiley and Sons.
20. Rollins, R.P., Porter, K., and Little, D. (2013). Modeling the changing apparel supply chain. *International Journal of Clothing Science and Technology*, 15, 140-156. doi: 10.1108/09556220310470141
21. Rosenau, J. A and Wilson, D. L. (2014). *Garment merchandising: The line starts here*. A& Black.
22. Salmon, K. (2013). Reshuffling the global apparel sourcing deck. Retrieved from <http://www.kurtsalmon.com/uploads/global%20Sourcing%20Reference%202013%201202%20VF.pdf>
23. Shelton, R.K., and Wachter, K. (2005). Effects of global sourcing on textiles and apparel. *Journal of Fashion Marketing and Management*, 9, 318-329. doi: 10.1108/13612020510610444
24. Van Tot, B.V. (2014). Textile and apparel industry report. Retrieved from [http://fpts.com.vn/FileStore2/File/2014/07/01/Textile%20and%20Apparel%20Industry%20Report%20\(latest\).pdf](http://fpts.com.vn/FileStore2/File/2014/07/01/Textile%20and%20Apparel%20Industry%20Report%20(latest).pdf)
25. Vijayan A., and Jadhav, A. (2015). Fabric sourcing and selection. *Garment Manufacturing Technology*, Elsevier, 109–128.

---

## 1.10 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

---

### Check Your Progress I

1. Sourcing strategies are used for sourcing fabric; locally manufactured fabric is preferred to meet the company's demand. If the manufacturing cost is too high or adequate infrastructure is unavailable, then off-shoring or global manufacturing is the prevalent practice for fabric procurement. Garment export houses need to decide the tactics of sourcing very carefully. The merchandiser and the fabric sourcing department play a crucial role in deciding tactics. The export order processing is the responsibility of the production merchandiser. The merchandiser needs to be aware of the buyer's requirements regarding fabric and the lead time of the whole process.
2. There are three types of sourcing done in the apparel supply chain:
  1. **In-House Sourcing:** refers to conducting an activity or operation within a company and meeting its routine procurement and supply function. For example, some apparel production industries have their textile mills. So the material is used in-house instead of relying on outsourcing.



2. **Outsourcing:** some companies usually outsource the material and services to tap into their market and cut costs.
3. **Global Sourcing:** is a widespread practice in the apparel industry. The material is outsourced from the international market.

### Check Your Progress II

1. Assess customer needs; assess what the market offers, develop specifications, and define winning criteria.
2. Lead time
3. Nominated supplier
4. Bill of Material
5. Minimum Order Quantity



ignou  
THE PEOPLE'S  
UNIVERSITY