



APPAREL EXPORT PROMOTION & INDUSTRIAL TRAINING SUPPORT

FINAL

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USAID ECONOMIC PROSPERITY INITIATIVE (EPI)

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ABSTRACT

The scope for this consultancy and corresponding trip report was: (i) to advise upon and develop a sustainable PPP workforce education training model for Georgia's apparel industry with existing vocational colleges and/or in-house factory training centers including equipment needs and factory layouts; and (ii) improve the capacity of export-ready Georgian apparel companies to promote their products and services to international brands and retailers.

ABBREVIATIONS

CCID	Community Colleges for International Development
CIS	Commonwealth of Independent States
CMT	Cut/Make/Trim
EPI	Economic Prosperity Initiative
FDI	Foreign Direct Investment
HCID	Human & Institutional Capacity Development
MoE	Ministry of Education
NAFTA	North American Free Trade Agreement
PPP	Public Private Partnership
U.S.	United States
VC	Vocational College

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I. EXECUTIVE SUMMARY

The challenge for this consultancy was two-fold: (i) to advise upon and develop a sustainable PPP workforce education training model for Georgia's apparel industry with existing vocational colleges (VCs) and/or in-house factory training centers including equipment needs and factory layouts; and (ii) improve the capacity of export-ready Georgian apparel companies to promote their products and services to international brands and retailers.

EDUCATION AND TRAINING

Familiarization with Georgia, its apparel industry and the VC's began through the reading of numerous assessments, reports, internet research and discussion with industry colleagues. Once in country, consultations with government officials and site visits at selected VCs added significant context.

Procurement recommendations were made by evaluating the physical layout and size of the intended classrooms, projected enrollment and availability of instructors. Because the curriculum is yet to be designed for the course, equipment recommendations were made with the reservation that [TC]², the curriculum developers, have the final say on the specific equipment models.

The VC instructors, their support staff and directors, appear equally competent as individuals with similar positions in the United States. The [TC]² methodologies and advanced curricula should be integrated within the current staged course to bring commercial world class standards to an already accomplished and successful educational system.

APPAREL INDUSTRY COMPETITIVENESS

Whether stagnant/old or vibrant/new apparel firms, much of the industry suffers from commercial introversion and lack of capital. Specific recommended interventions for the industry include:

- Advocate for Government incentives to assist or facilitate apparel manufacturing development;
- Increase knowledge to commercially cost the manufacture of a product;
- Train for a differentiated sales force; and
- Conduct due diligence to maximize opportunity with the four Turkish companies who have opened factories to take advantage of favorable wage differentials.

The consultant delivered a half-day training course in Tbilisi to a number of Georgian apparel manufacturing companies on the competitiveness of the global industry. The full PowerPoint presentation is located in Appendix H. Specific recommendations to begin competitiveness awareness included;

- Increase negotiating skills - awareness of strengths and weaknesses;
- Build brand awareness;
- Understand sales channels; domestic, regional, European and global;

- Promote benefits of domestic manufacturing cooperation, including advantages and potential positive outcome of forming a Georgian Apparel and Footwear Manufacturing Association
- Understand how the foreign companies are making money in Georgia (not only based on labor)
- Differentiate sourcing companies vs. manufacturing groups

II. APPENDICES

- A. BACKGROUND**
- B. METHODOLOGY**
- C. FINDINGS**
- D. RECOMMENDATIONS**
- E. PROCUREMENT RECOMMENDATIONS**
- F. ASSIGNMENT SCHEDULE**
- G. CONTACTS**
- H. PRESENTATION TO THE GEORGIAN APPAREL INDUSTRY**

A. BACKGROUND

Georgia has a growing and economically important garment assembly industry that produces apparel for domestic and, increasingly, export markets. These factories manufacture a variety of military and work uniforms for government and private sector tenders, highly constructed winter coats, men's and women's fashion and sportswear, and athletic wear. Most factories produce both woven and knit apparel, tops, bottoms, and outerwear, in the moderate to mid-price range. Several factories contract or subcontract for international brands and retailers including Marks & Spencer, Puma, Zara, Lebek, and others. Most of the factories are located in Adjara, Kutaisi, and Tbilisi, drawing on available workforce in those locations.

EPI's Apparel Value Chain Assessment and Workforce Development Action Plan identified a shortage of qualified labor in this sector, in particular, sewing machine operators, sewing machine mechanics, and quality control inspectors. It is therefore necessary to establish sustainable workforce education training models, in partnerships with existing VCs and/or in-house factory training centers. Currently, both VCs and training centers are in need of modern teaching materials and/or industrial sewing equipment with which to properly train students for entry into the workforce. To enable the VCs and training centers to provide such programs, EPI proposes to develop a sustainable PPP training model and then provide relevant apparel equipment, training supplies, and a Training of Trainers course for the selected VCs and training centers. The selection of equipment must align with current and future industry needs in Georgia. At the same time, installation of industrial equipment requires adequate infrastructure (building, wiring, lighting, feed rails, etc.) and should loosely approximate a factory work setting. Designing an equipment and layout plan requires industry expertise and knowledge of industry-targeted training.

The Apparel Value Chain Action Plan, prepared by EPI consultant Margaret Bishop, highlights as major objective, professional continuing education workshops to share information about global industry trends, global industry competitiveness, international quality assurance/quality control and social compliance requirements, quality control testing, and lean manufacturing. The first topic, Global Apparel Trends, was delivered to 38 apparel sector representatives at the end of June. Given that many Georgian-owned factories have little to no experience selling to international brands and retailers, EPI will continue to provide short-term technical assistance and training to Georgian-owned companies to build their market knowledge, develop their sales abilities, attract international buyers, and attain orders. The next workshop will focus on export promotion.

The challenge for this consultancy was two-fold: (i) to advise upon and develop a sustainable PPP workforce education training model for Georgia's apparel industry with existing VCs and/or in-house factory training centers; develop equipment needs and design potential layouts to resemble factory settings for selected VCs and training centers (to serve as the basis for EPI commodity procurement), and (ii) improve the capacity of export-ready Georgian apparel companies to promote their products and services to international brands and retailers.

B. METHODOLOGY

The objective of this consultancy was to deliver concrete and detailed recommendations for the implementation of a vocational apparel training program, provide direct technical assistance recommendations to designated apparel factories and deliver a presentation on export promotion and sales to Georgian apparel manufacturers.

Mr. Carpenter prepared for this assignment by reviewing the following technical documents:

- EPI Sector Assessment Report (apparel section)
- EPI Apparel Value Chain Report
- EPI Apparel Value Chain Action Plan
- EPI Workforce Development Action Plan (apparel section)
- EPI Apparel VCs Capacity Upgrade Action Plan
- Apparel industry- and firm-level export capacity assessments as well as competitiveness and market studies for Eurasia and the CIS

While in country he conducted interviews with the following individuals:

- Revaz Ormotsadze, USAID Contract Officer's Technical Representative
- Irine Salukvadze, EPI Deputy Chief of Party
- Alan Saffery, EPI Manufacturing & Services Component Team Leader,
- Natia Vepkhvadze, EPI HICD Manager
- Zviad Kvividze, EPI Manufacturing & Services Manager
- Margaret Bishop, EPI Apparel Advisor
- Lali Ebanoidze, Head of Vocational Education Department, MoE
- Lali Gogeliani, Director, CCID Representative office in Georgia
- Ardith Maney, Principal CCID, Representative office in Georgia
- Local apparel companies in Tbilisi and Kutaisi
- Representatives of VCs in Tbilisi, Batumi, Ozurgeti and Kutaisi
- Ten Georgian apparel manufacturers

A full schedule of interviews and consultations is located in Appendix F.

C. FINDINGS

VOCATIONAL COLLEGES

The Georgian Vocational College System appears to be a well-run and well-organized entity. [TC]² will train the trainers towards fast, efficient, workforce development. The Vocational College current training requirements are organized in three stages, each four months long.

Stage I consists of theoretical and practical instruction - teaching students about stitches, why different stitches are used, the differences in fabrics, how and why cut parts are cut the way they are to integrate assembly, familiarization with the machines, safety and practice on the machines. It is basic operator training but taught in a more relaxed collegiate manner. Students are awarded a certificate upon successful completion of Stage I. Evidently some graduates enter the apparel workforce after completing only Stage I. This stage could be compared to a basic operator's course. The focus of the curriculum and the instructors is in the same direction. The instructors appear competent; they lack only understanding of global standards of curricula based upon commercial goals.

Stage II involves more intense training on the machines. It is a different approach to training for efficiency but is a practical application of learned skills. Students utilize cut parts in formal production assembly training regimens. They are cross-trained to familiarization on whatever various machine types are available. Integrating the curriculum of "Training for Efficiency" into Stage II is recommended. With the advantage of uniformity in machine types (single needle, lockstitch, coverstitch) and [TC]² methodology, a higher level of competence will be attained by the students in a shorter amount of time. Internships at local factories and tailor-shops are the norm for a few weeks at the end of stage II.

Once students learn the skill set of sewing, they are allowed more diversity in their career path choices. There is more machine training, however for students who do not choose to enter the industrialized sector, half of the curriculum is dedicated to developing other sewing or entrepreneurial skills. For students who want to enter the industrial sector, all of the VCs maintain historical relationships and "internship" arrangements with either relatively okay or fairly efficient and fairly large (500+ operators) factories. The students who don't want to work in factories apprentice to a tailor or dressmaker for a couple months. If one finishes through Stage III a job is pretty certain.

APPAREL MANUFACTURERS

The Georgian-owned sub-sector appears to be primarily supported by government purchasing of uniforms for one official branch or another. Some companies carved out niches in the local market but frankly, nothing with the potential of a significant upward profit potential. Four major players can make it in the western export markets if given marketing and sales assistance. Key weaknesses include:

- Owners lack experience to identify needs of sophisticated customers;
- While not talked about directly, there appear to have been instances of "rejection" by potential customers;
- Frontier sourcing specialists are a very small and elite group. Repeated unsuccessful "scout/scratch & sniff" trips and buyers (smaller companies) will result in a "don't waste your time with Georgia" reputation very, very quickly;

- There is not one sales professional within the entire Georgian apparel industry;
- There is no evidence that any of the Georgian manufacturers understand the role and importance of product managers/customer representatives and their role in managing orders (procurement>production>delivery) through the factory and establishing an ongoing relationship with customers;
- The concept of sourcing groups and their function is confusing to the Georgian manufacturers as is the licensing system of sales organizations and their ability to manufacture brands and sell in sub-markets;
- A couple of the manufacturers found some fairly high potential (relatively speaking) export customers but lack the sales experience and knowledge base to use these opportunities fully (Elselema, KOTON/UNISTYLE and ZARA).
- They eagerly anticipate a future of export customers however they prefer to have the orders first and then change to the customers inclinations;
- The Turkish owned factories were not visited but reports are pretty clear and indicate the unofficial creation of a maquiladora “zone or environment” similar to the push towards establishment of U.S. facilities in Mexico during the 80’s and 90’s. However, there’s no NAFTA mentality of maximizing this opportunity. Further assessment and identification of the parent companies of these factory initiatives and what would further motivate them to continue re-establishing manufacturing facilities (re. end buyer identification & economic reality check) and how best to take advantage of this from the Georgian perspective is recommended. In other words, push them to further accelerate setting up new factories. The life cycle is likely to last 8 to 10 years and will continue to add employment opportunities if nurtured correctly.

D. RECOMMENDATIONS

VOCATIONAL COLLEGES

- Finalize the contract with [TC]².
- Bring Will Duncan, the [TC]² Senior Vice President of Consulting, to Georgia to meet with the Director of Curriculum Development and CCID and confirm the synergy of integrating the to-be-developed [TC]² curriculum into the existing Sewing Operator Training program and capitalize on the existing system.
- Procure the recommended equipment.
- Conduct the Train the Trainers course to the selected instructors.
- The Train the Trainer course should be conducted in Tbilisi [or in Kutaisi if renovations have not been completed at the Tbilisi VC].
- Follow-up visits by [TC]² with on-site reviews of each instructor at their own VC.
- Quality Control Training and Inspector Training might be integrated within Stage II and thereby increase the value of this stage of the current program. Based upon the quality and level of professionalism, the majority if not all the current instructors should prove capable of absorbing and teaching this training curriculum to a standard of excellence. Graduates of Stage II would finish at a higher level of efficiency and cross-training, making them potentially more valuable commercially to a prospective employer.
- There is no program for sewing machine mechanics. The VCs welcome this program opportunity because the local industry has called out that mechanics are needed. One potential instructor has an advanced degree in Mechanical Engineering and teaches small engine repair. More thought and research is needed into this portion of the program, perhaps train these small engine instructors and integrate into their current curriculum. The students could be eligible to then enter “work/study” with a sewing factory just as the student operators do.

GEORGIAN APPAREL INDUSTRY

- Take them on a study tour to a few trade shows. Perhaps spend some time with some “friendly” manufacturers and customers to listen and learn.
- Sponsor a study tour of some well-set up sales divisions of manufacturers.
- Sponsor the Georgian Industry as a whole into two years of trade show exhibition for their most likely customer base.
- Conduct due diligence on the Turkish investors so that the opportunities for Georgia can be maximized.
- Continue to push for the establishment of The Georgian Apparel Manufacturers Association
- Expand knowledge base of financial tools for Georgian apparel manufacturers.
- Future meetings involving the industry should include representatives from the banking, transportation and other associated industries.

- Arrange a presentation of factory owners and managers to explain the purpose and benefit of creating a sales and customer/product manager department in their companies.
- Arrange a presentation of “Costing to Set Prices” to teach the manufacturers the actual cost of their production and how to determine the profit potential.
- Prepare a program to take the leading manufacturers to two trade shows in Western Europe and one in the U.S. including ISPO- Munich, Germany and MAGIC- Las Vegas, Nevada.
- Organize and prepare a showcase stand for a European show to highlight the advantage of placing apparel production orders in Georgia that the manufacturers can attend and sell their open capacity.
- The Georgian government should be strongly encouraged to create more incentives to assist apparel export development and re-investment in Georgian-owned apparel manufacturing companies. The Chinese export sales incentives are a proven and effective example.
- Research and advise the Georgian government how Mexico actively encouraged FDI in their apparel sector, the construction of “Maquiladora” plants and how they were best exploited for their own purposes.

E. PROCUREMENT RECOMMENDATIONS

SEWING MACHINES

EPI has identified four VCs for assistance with apparel-related training equipment. The four are:

- Tbilisi Multi Profile VC “Mermisi”
- Kutaisi VC “Iberia”
- Ozurgeti VC “Horizonti”
- Batumi VC “Black Sea”

Note- Price estimations are based upon historical US sourcing

1. 1. MO-6704S Juki overlock Juki Overlock 6704S ~\$1,500.00
2. DDL 9000A or DDL9000B Juki Lockstitch Juki Lockstitch DDL-9000B ~\$1,500.00
3. MO-6716 Juki Safetystitch Juki Safety Stitch MO-6716 ~\$1,500.00

Assuming that a machine will be out of service for one reason or another for more than a day it would be better to have a “spare” available of each type at each school.

Under the premise mentioned above, the recommendation is that 11 of each machine type be purchased for each VC; totaling 33 machines per school for a total purchase of 132 sewing machines. This would likely approximate close to US \$200,000. This is also supposing that the trainer to student ratio is one trainer for each 10 students or 3 per class plus one “Head” Trainer for a total of four trainers per school. This is yet to be determined by curriculum development.

Spare parts should be stocked “in-house” and are a determinant of local availability of which no information has been provided. However, based upon 4 VC’s participating equally– the initial consideration of a spare parts inventory similar to this with 25% going to each VC is valid.

part #	Juki description	quantity
1) MO6704S0E4-40H		
131-75005	NEEDLE CLAMP 1 NEEDLE	12
SS-8080310-TP	SCREW 1/8-44 L=2.8	60
13191606	MAIN FEED DOG	8
131-91309	AUXILIARY FEED DOG	8
13192802	DIFFERENTIAL FEED DOG	8
119-91908	UPPER LOOPER	12
119-99307	LOWER LOOPER	12
118-76166	PRESSER FOOT ASM	8
R4200-J6E-D0A	THROAT PLATE	8
131-50701	LOWER KNIFE	24

131-50503	UPPER KNIFE	12
MDC-270B1100M	NEEDLE DCX27 #14	3200
Approximately US ~\$4,500.00		

2) DDL9000A Juki

part #	description	quantity
22921605	THREAD TAKE-UPSPRING	48
229-57005	WPIPER	12
SS-2060210-SP	SCREW	100
SS7080510TP	SCREW 1/8-44 L=4.5	48
B1109-012-I0B	THROAT PLATE	12
SM2040955-TP	SCREW 11/64-40 L=8.5	100
B1613-012-I00	FEED DOG I	12
SS-4080620-TP	SCREW 1/8-44 L=6	100
400-00264	BOBBIN CASE ASM	100
111-41355	HOOK ASM C	12
22932909	BOBBIN	240
110-40052	MOVING KNIFE	12
D2406-555-D0H	COUNTER KNIFE	12
113-13103	THREAD GUIDE FOR KNIFE	12
MDB-100B1400	NEEDLE	5000
Approximately US ~\$6,000.00		

3) MO6716SFF650H Juki

part #	description	quantity
122-57507	NEEDLE CLAMP 2-NEEDLE	12
SS-8080310-TP	NEEDLE SCREW	48
131-91408	AUXILIARY FEED DOG	8
118-83006	MAIN FEED DOG	8
121-73506	DIFFERENTIAL FEED DOG	8
119-91908	UPPER LOOPER	12
118-90001	TRAVELING NEEDLE GUARD	12
119-99307	LOWER LOOPER	12
SS-6060440-TP	SCREW	24
119-91189	PRESSER FOOT ASM	8
131-16702	THREAD TRIMMER	8
R4612-J6F-F00	THROAT PLATE	8
120-15301	NEEDLE HOLDER (GUARD)	8
131-50701	LOWER KNIFE	24
131-50602	PLAIN KNIFE (UPPER)	12
MDC-270B0900	NEEDLE DCX27 #16	3200
Approximately US ~\$6,500.00		



Sewing operator chairs- ~\$150.00 SAFCO Authorized Dealer in the USA
 SAFCO Diesel High Base with Back- model #6664

There will be trainer and student equipment needs such as stopwatches, notebooks, trimming shears, many thousands of paper practice sewing sheets, a significant amount of practice fabric and thread. However, until the curriculum is developed for those needs from it is not possible to determine quantities. It would be best if that were determined by [TC]².

OPTIONAL- EMBROIDERY EQUIPMENT

Recommending the Tajima Model TFMX-IIC 1504 (*Tajima TFMX*) as the machine of choice for a training environment in a vocational setting. This is a 4-head machine with 15 needles across the board. It is reliable, fast and as a brand, considered a *leader* in the embellishment industry. Complete solutions to embellishment are a necessary part of an industry that wants to enter the global marketplace and satisfy customer required “Full-Package” services. This equipment, and the people trained to operate it, is emblematic of the type of upgraded capability that Georgian manufacturers will need to invest in to compete in export markets.

A TFMX-IIC 1504 would cost around \$46,000 (with software) if bought in the U.S. In the U.S., approximately an additional \$700 will purchase the ancillary items such as thread, external memory support, backing, spare needles, etc... for each machine for training over the course of a year.

Tajima USA routinely offers installation and training and also offers very good advanced training courses online.

Contact in the U.S. is Mickey Vestal at Hirsch (800) 394-4426 extension 2170

F. ASSIGNMENT SCHEDULE

Date	Event
8/28	Start Travel to Tbilisi
8/29	Travel
8/30	Meet Apparel Sector Primaries: Alan Saffery, Zviad Kvlividze, Eka Nadareishvili
8/31	Factory visit to Iveria Uniforms - David Bidznashvili showroom & factory
9/1	Factory visit to Imeri and Mall visit
9/2	Factory visit to Elselema - Elguja Mamasakhilisi, KOTON store
9/3	Factory Visit to Knitex - Andro Managadze / open bazaar/covered bazaar/city mall
9/5	Factory visit to Unistyle - Mariam Goginashvili & showroom
9/6	Factory visit to Lazeti
9/7	Kutaisi Vocational College & Miller & Company, Tkibuli (new factory)
9/8	Batumi and Ozurgeti Vocational Colleges
9/9	Laura Gachava and Chinese wholesale apparel market
9/10	Miller & Company, Tbilisi
9/12	Tbilisi Vocational College
9/13	Presentation: Export Market and Customers to Industry
9/14	USAID Briefing, EPI Out-briefing & CCID Meeting
9/15	Travel

G. CONTACTS

VETS VISITED AND MEETINGS HELD:

- Kutaisi Vocational College, Tina Losaberidze – Wednesday, September 7, at 14:00; Mob: 577 788 303. Address: 65 Zurab Anjaparidze (231) 2 55 62
- Ozurgeti Vocational College, Nana Jolia – Wednesday, September 7, at 17:00; Mob: 598 512 520. Address: 8 Mshcidoba St.
- Batumi Vocational College, Giorgi Gogitidze – Thursday, September 8, at 12:00; Mob: 577 544 457. Address: 84 Lermontovi
- Georgia Technical University - Tbilisi, Ramaz Khurodze – Monday, September 12, at 11:00
- Lali Gogeliani, Director, CCID Georgia Office, Ardith Maney, Principal, CCID Georgia Office. Address: 68 Kostava St.

FACTORIES VISITED:

- Iveria Uniforms
- Elselema
- Knitex
- Materia
- Unistyle
- Lazeti
- Imeri
- Miller & Co., Tkibuli
- Unistyle
- Miller & Co., Tbilisi
- Laura Gachava Ltd.

OTHER VISITS TO INVESTIGATE THE DOMESTIC MARKET:

- Chinese Wholesale Market
- 2 malls

JUKI SALES OFFICES:

- Juki Central Europe SP. Z.O.O, Ul. Poleczki 21 (Platan Park C) 02-822 Warsaw, Poland. Tel: (48)22-545-0400. <http://www.juki.pl>
- Juki Central Europe Sp. Z.O.O. Turkey Office, Koçman Caddesi No:57, 34600 Gunesli-Istanbul, Turkey. Tel: (90)212-630-8922. <http://www.juki.pl>
- Juki North America (Rich Gold, General Manager), Juki America Corporate Headquarters

8500 NW 17th Street, Suite 100, Miami, FL 33126-1008. Tel: (305) 594-0059. Fax (305) 594-0720.

TAJIMA SALES OFFICES - EUROPE:

- Kulis Elektronik Nakis Mak. Tic. Ltd. Sti., 9, Eylul Mahallesi, 337 Sokak, No.13, 35410 Gaziemir-Izmir, Turkey. Tel: 90-232-2511365. Fax: 90-232-2511368. kulis@kulistajima.com. <http://www.kulistajima.com>
- AFC Trading Corporation, 4B Pasteur Street, 145 62 Kifissia, Athens, Greece. Tel: 30-210-6230-644. Fax: 30-210-6231-644. afc@ath.forthnet.gr
- Mountek GmbH – Germany, Weinstetter Str.1, D-72474 Winterlingen-3, Benzingen, Germany. Tel: 49-7577-93130. Fax: 49-7577-7575. info@mountek.de. <http://www.mountek.de>
- MOUNTEK GmbH – Hungary, Zrinyi Str.12 H-1171, Budapest, Hungary. Tel: 36-1-256-5003. Fax: 36-1-256-5003. hungary@mountek.de
- Rydlewska Service - Rydlewska Anna, 91-496 Lodz, ul. Poziomkowa 30, Poland. Tel: 48-42-6588662. Fax: 48-42-6588661. rydlewska@tajima.pl
- TAMA Bohemia s.r.o., Na Vyhlidce 437, 252 42 Jesenice- Osnice, Czech Republic. Tel: 420-2-41932959. Fax: 420-2-41932958. tama@tama.cz. www.tama-bohemia.cz

H. PRESENTATION TO THE GEORGIAN APPAREL INDUSTRY:

COMPETITIVENESS AND EXPORT MARKETS.

USAID | **GEORGIA**
FROM THE AMERICAN PEOPLE

Export Customers for Georgian Apparel Manufacturers

USAID ECONOMIC PROSPERITY INITIATIVE (EPI)
DELOITTE CONSULTING LLP, USAID/CAUCASUS
SSG Advisors LLC.



Guy Carpenter
Tuesday, September 13, 2011

Guy Carpenter- Cape Fear Apparel



Customers

- **Who are they? Where are they**
- **Servicing your customers**
- **How retailers make profits**
- **How this affects what they will pay**
- **How they want the order delivered**

In the apparel market there are thousands of quality **Medium Size** and well established **Smaller Brands** that want reliable, professional suppliers with complete customer service.

American brands successfully selling in Europe that want closer and better sourcing:



Where are they?

Everywhere, but their product is probably on the store shelf in Europe

- Local Market and Export (Europe+)
- Close is good-
 IF transport and logistics are good too
- You may have an American customer who wants you to produce the goods they sell in Europe

How Do You Get Business?

- **Build Relationships**
- **Lengthy & Difficult Process**
- **You will not get orders quickly-it is a courting process**

Buyer and Brand Needs	Vendor Needs
Service	Steady Work
Quality and Delivery	Raw Materials
Stability and Credibility	Financing

You get business by offering more value- that means the whole package- not just CMT-cut/make/trim. The businesses that are getting subcontract orders from Turkey are selling CMT or in other words, cheap labor. That is a current commodity situation which will not last.

Trade Shows

- Kyiv Fashion Exhibition 13 to16-SEP
- MILANOVENDEMODA 23 to 26-SEP
- STYLE UKRAINE 22 to 25-SEP
- CPI-Collection Premiere Istanbul Sep
- London Fashion Week 16 to 20-SEP
- London Garments Expo 27 to 29-OCT
- Feria de Madrid 02 to 04-FEB
- Magic 13 to 15-FEB
- Pitti Imagine Uomo 10 to 13-JAN
- Outdoor Retailer Winter Market 19 to 22-JAN
- Militaria 29-JAN
- Premiere Vision 20-22 SEP

Servicing your customer

FULL PACKAGE SERVICE

- Costing,1 day
- Sampling, 5 days
- Sampling for Photo Shoots & Catalogues
- Production sourcing
- Production Timing and Reorders
- Delivery

Full Package

- Product Development, Marking, Embroidering, Washing, Printing, Cutting, Sewing, Finishing, Packaging (Retail Ready) Apparel Distribution and Logistics
- Specialize in high-end market apparel

How Retailers Make Profits

- Women's Casual > *Merchandiser*– Sourcing Department- Manufacturer
- Women's Sport
- Women's Dressy
- Women's etcÉ.
- Men's
- Girls
- Boys

The color white

This Affects What They Will Pay

- Small retailers who buy your brand and sell it in their store sell the garment for double the price plus 10%
- Big retailers (Department Stores) make minimum margins of 60%-75% depending upon the garment.
- Brands- ie Gap 72%

They know how much it costs to manufacture anywhere in the world. You have to offer more than price ..

How they want the order delivered

- *Correct and on time-*
If you do not you lose the customer.
- The order may be for 30,000 pieces but you will deliver it 10,000 pieces a month each month for 3 months.

The Big Brands Will Eat You Alive

- There are no “Pity” purchase orders
- One time orders are bad
- Georgian apparel companies need to build experience in **providing value and relationships** - not just lower-priced garments to compete.
- That means developing a customer service mentality and full-package capability.

How do you
attract and keep
customers?

SERVICE!

You provide a service which includes a product.

It's not just about new equipment and the latest technology- People have the expectation that technology will make production go so much faster and it can- but not enough to meet unrealistic expectations.

***You can't hire nine women-
and get a baby in a month....***



Thank ya'll very much

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