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Dr. S. Saravanan
*HOD-B.Com (IT) Dr.N.G.P
Arts and Science College
Kalapatti Road, Coimbatore-
641048, Tamilnadu, India*

S. Mohanraj
*Ph.D Research Scholar-
Commerce, Dr.N.G.P Arts and
Science College, Kalapatti Road,
Coimbatore-641048, Tamilnadu,
India*

K. Bagyalakshmi
*Ph.D Research Scholar-
Commerce, Dr.N.G.P Arts and
Science College, Kalapatti Road,
Coimbatore-641048, Tamilnadu,
India*

Correspondence:
Dr. S. Saravanan
*HOD-B.Com (IT) Dr.N.G.P
Arts and Science College
Kalapatti Road, Coimbatore-
641048, Tamilnadu, India*

A study on factors affecting supply chain management in garment industry with special reference to Tirupur

Dr. S. Saravanan, S. Mohanraj, K. Bagyalakshmi

Abstract

In today's world of globalization many apparel retailers are building strong supply chains to gain advantage over their competitors by offering the best value to their customers. The supply-chain management (SCM) has become very critical to manage risk, dynamism, and complexities of global sourcing. A totally integrated supply chain is required for the company to get gain the maximum benefits. The objectives of the supply chain and the performance measurements need to be understood in order to build the most effective supply chain. Performance measurements provide an approach to identify the success and potential of supply management strategies.

Keywords: Supply chain management, value chain

1. Introduction

The garment supply chain involves the major stages of fiber and yarn production, fabrication, garmenting, distribution and retailing Supply chain structure of garment industry in India comes with lot of varieties of the players involved and their size and operational differences at every stage in the chain. The differences are not only based on the operational and structural variability at different stages i.e. difference among the members of two stages, but it also exists among the various counterparts competing at the same stages. Although, the stage wise difference among the players and their operations is obvious and needs the thorough consideration of the supply chain practitioners, as the chain accounts for a value addition of 300% – 400% from raw material stage to the finished garment However, there are many small and large players at every stage of the supply chain claiming their association with either the organized or the unorganized sector having their involvement in many supply chains at the same time which again consists of high variability among the members. The whole process together creates the complexity, which necessitates the separate study of every stage in order to understand the structure and dynamics of the complete supply chain in the Indian garment Industry.

1.1 Objectives of study

- To study about the overall performance of apparel industry
- To highlight the factors affecting supply chain management in apparel industry
- To study about the impact of supply chain management in apparel industry
- To give valuable suggestions to overcome supply chain problems in apparel industry

2. Methodology of the study

A Research is a master plan for the conduct of formal investigation. The science deals with principles and procedure in research and study. Research methodology is the pathway or an approach to get the needed information by locating the data from different sources which are primary and secondary. This chapter discusses the method of data collection and tools of analysis.

2.1 Area of study

The research study was conducted only in Tirupur city.

2.2 Research design

This is descriptive in nature. the researcher here made an attempt to find out the Strategies To be Adopted by the Garment Exporters To Manage Business Crisis In Tirupur.

2.3 Period of study

The survey to know about “A Study on the factors affecting supply chain in Garment industry” lasted for the period of six months.

2.4 Nature and source of data

This study is based on questionnaire method; primary data has been collected from various proprietors doing business in Tirupur city. The first draft of the questionnaire was prepared bearing in mind of research problem and objectives of the study. Secondary data was collected from journals, magazines and websites.

3. Method of data collection

The data has been used which is collected through questionnaire and reports and internet. The researcher has used both primary as well as secondary data. The research was conducted only in Tirupur.

3.1 Primary data

The primary data have been collected through a structured questionnaire. The questionnaires were distributed to 50 apparel industries situated in Tirupur.

3.2 Secondary data

Secondary data have been collected from various sources namely outside from journals, magazines, other research works and also from other authenticated websites.

3.3 Sample size

Sample size is the number of items to be selected from the universe to constitute a sample. The sample size is 100 in number.

3.4 Statistical tools used for the study

The following statistical tools have been used to analyze the primary data.

- Simple percentage
- Chi- Square
- Weighted Average Mean
- Ranking

4. Review of literature

4.1 Lamber and Cooper (2000) propose that supply chain looks rather more like an uprooted tree than a pipeline, which suggests that supply chains are very complicated to manage. Within such complex network structure, the key to successful SCM is to identify the key processes, which need the coordination of all the tiers in one supply chain, and manage these processes in an integrated fashion.

4.2 Wang G., Huang, S.H. & Dismukes J.P. (2005) stated that India is the world’s second largest producer of textiles and garments after China. It is the world’s third largest producer of cotton after China and the USA and the second largest cotton consumer after China. The Indian textile industry is as diverse and complex as country itself and it combines with equal equanimity this immense diversity into a cohesive whole. The fundamental strength of this industry flows from its strong production base of wide range of fibers / yarns from natural fibers like cotton, jute, silk and wool to synthetic man-made fibers like polyester, viscose, nylon and acrylic.

5. Analysis and interpretation

5.1 Simple percentage

Table 1: Table showing the separate department for scm

Particulars	No Of Respondents	Percentage
YES	34	68
NO	16	32
Total	50	100

Source: Primary Data

Interpretation

The above table indicates that 68% of respondents are having separate department for SCM and 32% of respondents are not having separate department for SCM.

Table 2: Table showing the implementation of scm in sourcing and it is benefits

Particulars	No Of Respondents	Percentage
Balancing Transport cost	2	4
Increasing in manufacturing cost	12	24
Reduction in production cost	12	24
Increase in large batches of production	16	32
Reduction in cost components	8	16
Total	50	100

Source: Primary Data

Interpretation

From above the table indicates that 32% of respondents implement SCM in increasing large batches of production,

24% of respondents for increasing manufacturing cost and reduction in production cost and 16% for reduction in cost components

Table 3: *Weighted average mean* Table showing the satisfaction level of expectation of importer on overall apparel while importing

Factors	5	4	3	2	1	Total	Mean score	Rank
Garment show in catalogue	30	16	4	0	0	50	4.52	1
	150	64	12	0	0	226		
Failure in the date of delivery	8	28	8	4	2	50	3.72	2
	40	112	24	8	2	186		
Quality reactance	12	12	22	4	0	50	3.64	3
	60	48	66	8	0	182		
Proper documents	0	18	16	10	6	50	2.92	5
	0	72	48	20	6	146		
Excellent design and technology	4	16	20	0	10	50	3.08	4
	20	64	60	0	10	154		

Inference

The table exhibits the weighted average mean scores. The table highlights weighted score, which help to decide the most important factor, which gives the satisfaction level of

expectation of importer on overall .The highest score 4.52 is Garment shows in catalogue and lowest score 2.92 is Proper documents.

Table 4: Ranking Table showing the satisfaction level of various production problems faced in organization

Factors	5	4	3	2	1	Total	Mean score	Rank
Colour variations	25	14	4	5	2	50	=4.06	1
	125	56	12	10	2	203		
Missing ends and picks	18	15	8	7	2	50	=3.8	2
	90	60	24	14	2	190		
Irregular Weaves	15	8	18	3	4	50	=3.42	6
	75	32	54	6	4	171		
Broken Ends seed marks	15	15	10	5	5	50	=3.6	7
	75	60	30	10	5	180		
Think and thin place	10	12	10	8	10	50	=3.88	3
	50	48	30	16	20	194		
Diff in width and variation	8	16	16	10	0	50	=2.86	8
	40	64	19	20	0	143		
Colour Fastness	12	10	15	10	3	50	=3.2	9
	60	40	45	20	3	168		
Shortage of imported silk	18	15	12	2	3	50	=3.86	4
	90	60	36	4	3	193		
Shortage of Roll length	10	18	16	3	3	50	3.58	5
	50	72	48	6	3	179		

Inference

From the above table it is inferred that by using weighted average mean it finds that the Reasons for Crisis in

production problems faced in organization and Rank I Missing ends and picks, Rank II states Missing ends and pick

Table 5: Table showing the satisfaction level of factors which ac as a barriers of supply chain collaboration

Factors	5	4	3	2	1	Total	Mean score	Rank
Lack of top management support	16	16	16	1	1	50	=3.9	3
	80	64	48	2	1	195		
Non-aligned strategic and operating	2	22	16	10	0	50	=3.34	1
	10	88	48	20	1	167		
Lack of trust	8	16	16	10	0	50	=3.44	2
	40	64	48	20	0	172		
Inflexible organizational system	2	10	24	6	8	50	=2.84	5
	10	40	72	12	8	142		
Resistance to change	6	8	22	8	6	50	=3	4
	30	32	66	16	6	150		

Inference

The table exhibits the weighted average mean score. The table highlights weighted score, which help to decide the most important factor, which gives the satisfaction level of factors which act as a barriers of supply chain collaboration. The highest score 3.34 is Non aligned strategic and operating and lowest score 2.84 is Inflexible organizational system

6. Findings

- Majority of the respondents are manufacturing exporters.
- In case of 60% of the respondents are owning the partnership firm.
- There are 40% of respondents are experienced with 11-15 years in exporting.
- There are 68% of respondents are having separate department for supply chain management.
- 40% of respondents are process by individual function to integrating the activities
- Majority of respondents are under the apparel category of both women/men.
- 28% of respondents are exporting silk, jersey type of material source.
- 48% of respondents choose transportation as major decision area in apparel.

7. Suggestions

- They should train their labors in order to have sustainability in production process.

- Companies should formulate with clear supply chain strategy for both inbound and outbound logistics to have competitive hedge in international market.
- Some industries were mainly concentrate and managing supply chain. The other importance are to adopt supply department for better sustain
- Supply chain has been taken a major part in transportation only if supply chain adopted for the whole process. They may be a may changes in apparel Industry.

8. Conclusion

They have to be managed to derive the maximum potential in the supply chain, and the selection of the supplier is the most critical task in the supply management. In this study, six strategic priorities were identified as the criteria, and the priority measures as the sub criteria, and then an AHP-based model was formulated to select the best supplier. After finding the global priority weights, they can be used to determine the final composite priority weights of supplier occupying the last level of hierarchy.

9. References

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