

A CRAM SET BACK PROCESS OF SHIPMENT DELAY AND FLAW ANALYSIS.

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Abstract

This article is about the written A CRAM SET BACK PROCESS OF SHIPMENT DELAY AND FLAW ANALYSIS based on the behavior of Indian garment export houses. Making a plan and execution of the plan is ‘must do’ task to meet the lead time. The shipment to be in on time, Quick response towards the shipment process in the apparel industry. As a standard procedure factories and Exports make plans and do extensive follow up of tasks with the Lead time of the garment shipment after the Inspection(i.e.) Final Inspection. Still factories do not meet their target dates for final inspection and fail to ship good on agreed shipment date. In this article I have explained the five most visible reasons that cause the delay in shipment. A short shipment is when cargo is listed on a shipping list but not included in a shipment, or not received by the recipient. Notably, when the quantity received is less than the quantity listed. Conversely, an over shipment is when the quantity received is more than the quantity listed. These can occur for a number of causes, and the term can refer both to actually shipping incorrectly, or to what the recipient reports on receipt, which may be for another cause.

Index Terms - Shipment Details, Delay of the Goods, Lead Time, Defects and Problems, Causes and remedies

I. INTRODUCTION

The process of transporting an item, usually through the mail the Garment through the Ships. Shipping is a very basic, common way of getting an item from one place to another, or from one person to another.



Fig: 1

Objective:

1. To study the clear view about shipment process
2. To analysis the delay and flaw process in shipment.
3. To study the work place skill & efficiency used for shipping process

1 Introduction:

1.1 Direct shipment

Direct Shipments is a method of delivering goods from the supplier or the product owner to the customer directly. In most cases, the customer orders the goods from the product owner.

This delivery scheme reduces transportation and storage costs, but requires additional planning and administration. Direct shipment is a common practice in industries that rely on outsourced manufacturing to a big extent, like high-tech, apparel and footwear as well as durables industries.

1.2 Pre-shipment inspection

Pre-shipment inspection, (also spelled pre-shipment inspection) or PSI, is a part of supply chain management and an important quality control method for checking the quality of goods clients buy from suppliers. PSI ensures that production complies with specifications of the buyer and/or the terms of a purchase order or letter of credit. A final random inspection (FRI), checks finished products when at least 80% of an order has been produced and export-packed. Samples are selected at random, according to standards and procedures. Pre-shipment inspection can diminish risks inherent to Internet commerce like phishing and fraud.

1.3 Process

The pre-shipment inspection can be agreed upon between a buyer, a supplier, and a bank, and it can be used to initiate payment for a letter of credit. A PSI can be performed at different stages before shipment, such as checking the total amount of goods and packing, controlling the quality or consistency of goods, checking of all documentation, as for example test reports, packaging list, or verification of compliance with standards of the destination country like ASME, CE mark and import duties.

1.3.1 Inspection companies

There are two types of PSI companies:

Free-market companies which are privately owned, selling their services to the market. Risks involved might be, especially if it is a smaller company, that paid the company is paid by the manufacturer and working in its interest. State owned inspection companies: Only very few companies operating on the market are state-owned or partly state-owned. The shareholding of governmental institutions guarantees independence and objectivity.

A higher form of the PSI is called expediting, in which the dates of delivery and the production are included in the control. Termination on the Pre-shipment Inspection requirement. PSI increases burdens and costs in international trade and can be counter-productive for the country of importation and its traders. Several countries are considering termination on the use of inspection companies' service, following upon WTO Agreement on Trade Facilitation Article 10.5 Pre-shipment Inspection: 5.1. Members shall not require the use of pre-shipment inspections in relation to tariff classification and customs valuation. In 1988, United Nations Economic Commission for Europe Recommendation No.18 - Recommended Measure 8.2 "Discouragement of Pre-shipment Inspection". "Customs use of inspection companies" World Customs Organization.

2. Review of Literature:

2.1 Introduction

Review of related literature is an important step in undertaking research. It helps in clarifying and defining the problem, stating objectives, formulating hypotheses, selecting appropriate design and methodology of research as well as interpreting the results in the light of the research work already undertaken. In this chapter, an Endeavour has been made to provide an overview of various aspects of this study through the review of existing Literature. The sources referred from various journals related to exports of garment industry, export performance, benefits gained by the entrepreneurs and problems faced in hosiery garment industry. **Panthaki (1995)** stated that the future of garment export from India predicts bright future and outlines the future course of action for the garment industry. The garment industry needs to pay greater attention to evolve Markets favorably disposed to India for historic reasons, such as, South Africa, C.I.S., Venezuela, Chile, and Columbia, where Indian garments are yet to take a foothold. The industry has to take

advantage of the availability of special fabrics on OGL/SIL to manufacture and export industrial/institutional/sportswear of all types and also to enter into collaboration arrangements with manufacturers in West Europe to obtain the necessary know-how for benefit in the future export growth. **Koshy (1997)2** examined that the perceptions of 107 exporters regarding the progress of overseas importers with respect to garments and fashion garments. The study pointed out that for basic garment sourcing; the exporters believed that production capability had an important generic value, forming the basis of value chain match in the eyes of the overseas buyers. According to this study, Indian garments exporters perceive that the importer segments expect many additional dimension in fashion garments which distinctly different from basic garments. These factors can be termed as 'production, product specialization and development function' and 'quality and quick response'. The exporters realized that the capability to design and develop fabrics, specialize in product categories, give the final finish and presentation of garments, deal with a short lead time and speed of response were some of the dimensions of the buyer expect from exporters of 'fashion garments'.

Methods

Table 1: - Causes for delays at various stages of order execution

Activity	Specific causes for delays
Pre-Production activity	<p>Lack of clarity regarding exact customer requirement, in terms of styling, fabric specifications, trims , constructional clarity and consumption.(Between both sampling & merchandising)</p> <p>Lack of technical understanding regarding exact customer requirement. Form and Fit of the Garment, resulting in repeated communication and reworks.</p> <p>Poor flow of buyer communication between merchandising and sampling.</p> <p>Poor planning, especially in prioritizing the sample delivery schedules.(FIFO etc)</p> <p>Fixed pick up time by courier service providers often result in failure in meeting the pickup deadline for ready samples arriving a little late from sampling Dept.</p>
IE	Loss in production due to non-availability of work aids, like attachments and folders, when the new style hit the bulk Production. No history record of the problem faced at Product development stage is maintained to counter similar problem when the bulk production is initiated.
Purchase	Delays caused in receiving trims due to fixed delivery time lines given by buyer nominated vendors. on availability of alternative /substitute vendor to counter contingency Delays caused in approval of trims.
Administration	Delays caused due to manual tasks of generating hard copies for authorization
Production	Delays caused due to high operator absenteeism Delays caused due to Non-availability of required skill set etc.
Post production activities	Delays caused due to shipment clearance procedures. Delays caused due to failure in meeting the shipment window. Particularly for vessels leaving to destinations on a particular day of the week. Missing the cut off date at port causes the consignment to be delayed at port .It also incurs additional cost by way of dock charges.

Since the scope of improving productivity with a given set up and skill level is limited, manufacturers should find other opportunities for reducing the cycle time.

3.1 Measures

Following measures are recommended to reduce supply chain lead-time in vertically integrated set up.

1. The garment pre production activity is significantly inefficient, any saving in time and manpower at this stage can help in improving overall supply chain efficiency. Strengthening the pre production activity can significantly help in reducing the lead time, this can be achieved by

- a. Ensuring availability of raw material details and constructional details, by means of sample requisition checklist. This checklist should cover all the constructional and trims details required in executing the request. Sample requisition shall be accepted only after satisfying the checklist. It is recommended that the merchandiser should ensure availability of required information from the buyer by means of appropriate checklist at his/her end. Improving coordination between merchandising and product development team through seamless flow of buyer communication. Common observations are poor flow of information between merchandiser and product development team, regarding buyer prescribed tolerances for fabric shrinkage (critical for Knitwear), tolerances for GSM variation, trims placement details, strip and check matching criteria for size set etc. This Problem can be countered by eliminating departmental boundaries through seam less flow of buyer communication.
- b. Product development and Sampling: Product development and sampling stage fall under pre-production processes. Other pre-production processes include sample approvals, finalizing vendors and cost negotiation with raw material suppliers. Most of the factories do not consider including development stage schedule under plan. It results no control on pre-production processes. It goes long and long. When sample approval gets detailed, consequentially ordering of trims and fabric get delayed. A complete plan is done when you include sampling plan under your planning. Out of total lead time most part is consumed by pre-production functions. As a result planned cut date (PCD) gets postponed.
- c. Delay in sourcing of raw material: Normally factory planner discuss with supplier about their lead time for sourcing goods such as fabric and trims prior to making the final production scheduling. Suppliers fail to send good on time due to too many uncertainties. Sourcing delays also consumed extra time and make it difficult to start in-house processes on time. Few export houses experienced that yet after loading of cutting and stitching, trims such as care label, laces or main label are yet to be sourced. Partly stitched garments start piling up in the line and line supervisor load another style keeping running style aside from the line until they receive trims.
- d. Production urgency: Pressure and urgency increases when factory starts production processes (such as cutting, preparatory and sewing), as order has already eaten up bigger part of total time scheduled for the production processes (production to finishing). Not having much time on hand, managers push everything on fast pace. They even push their whole team on quantity production. In this stage they forget to care of quality of the product. Once they start ignoring standard procedures they get stuck on stitching quality or related problem rises. Repair and re-inspection become a main process. These process increases production time.
- e. Delay from Sub-contracting Jobs: For high fashion product, few value added processes such as panel printing, embroidery, bead work or dyeing are needed. For these value added processes factory normally send fabric or half stitch garment to sub-contractors for job-works. Sub-contractors also come with their big commitments on delivery and quality. But when factory receives goods, they had to count some more days on their delays.

4.2 LEAD TIME AND TIMELY DELIVERIES

Meeting the delivery on time is the most important factor in today market to have good reputation and existence with good market share in this competitive world. To keep abreast with the dynamic market conditions these days one need to be able to get more of the fastest selling merchandise on sale during season whilst its appeal lasts and correspondingly eliminate lines which are not popular and become drain on resources. The main areas of concern are Long delivery time Export market is such where there is lot of innovation in styles and particularly fashion market which very dynamic and shorter run of production are increasing day by day. Moreover

examples of ZARA which produce garments and hit store with new styles. What makes the situation more difficult is the interdependence of the activities and it is not at all surprising that the time taken to get goods from concept to market place is often longer than the selling season itself. The maximum amount of time spent is in preproduction activities. These activities include the process of procuring yarn and fabric, getting the samples made and getting them approved by the buyers. The actual garmenting process does not increase lead time as much as the preproduction activities. Timely deliveries in the department like fabricant color development, garment sampling etc are more important.

4.3 Reasons for Delay

The Garment There can be several reasons for delay some of them can be:- Resource unavailability (Man, Machine, Material), Non Clarities from Buyer Internal Communication, Lapse External Communication Lapse Frequent change from the buyer Priorities and Internal Rejections. Reducing lead times is only possible by Elimination (remove a process) Compression (remove time within a process)

Shipping from Global Contractor to Manufacturer's Distribution Center

- Another choice is the method of shipping from manufacturer to retailer
- Three main methods are used:
 - Free on Board (FOB) where contractors deliver goods to the ship or plane in the country where it is made. Manufacturers arrange and pay for transport and duty.
 - Landed, Duty Paid (LDP) where contractors ship to the distribution center and pay duty.
 - Cost, Insurance, Freight (CIF), pays for insurance and freight to final destination.

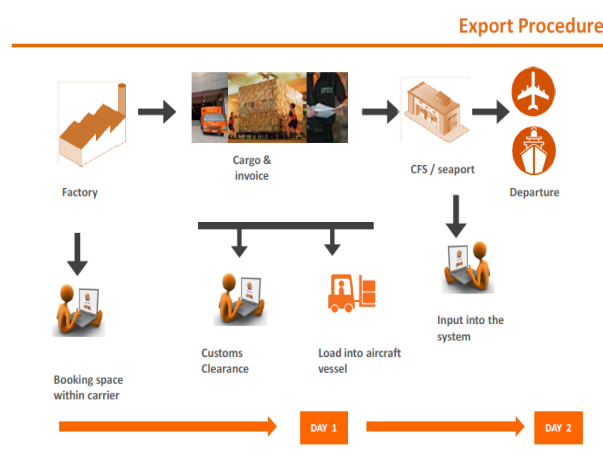


Fig:2 - Integration (re-engineering interfaces between successive processes) Concurrence (operate processes in parallel)

5 Result & Discussion

Pre-production process networks are unique for every single enterprise, every single buyer, even sometimes for every single order. In the absence of a standardized process network, preproduction activities are highly prone to delays in the process.

Fabric constitutes 65 to 70% of the cost of production with labor making up a further 15% and the rest goes for overheads and manufacturer's profit. The main competitors of India are countries like China, Korea, Pakistan, Bangladesh, Malaysia, and Sri-Lanka. The Indian garment industry is gaining ground in the world market at breakneck speed, but still not flourished at its fullest extent. The key factors behind this are low technological development, lower output, cut throat competition, high raw material cost, inadequate infrastructure, traditional productivity, unfavorable regulatory policies, and globalization impact

5.1 Delay of the Shipment

Delay means retarding detention and postponement of set of event and activities and to put off them to future time. It is unplanned deferment of a scheduled activity because of something or occurrence that impedes its commencement or continuation. It has time associated cost effects on a contract which may be measured in terms of time, money, or a combination thereof. As far as the apparel industry is concerned — Deviation from quoted lead is referred to as delay. Delays occur due to several reasons and these can occur at various stages of product and hence broadly Main causes for the delay can be classified as:-

- 1) Technical Problem
- 2) Employee related Problem
- 3) System related Problem
- 4) Critical Chain Approach

Like project management this project A CRAM SET BACK PROCESS OF SHIPMENT DELAY AND FLAW ANALYSIS, pre-production activities in garment manufacture is driven by human parameters. Furthermore, some of the critical chain characteristics have a lot in common with garment pre-production activities, all of which are addressed specifically and decisively in the critical chain approach. These include;

- Reverse scheduling
- scheduling of activities start backwards from delivery date;
- Multitasking
- Garment pre-production is organized chaos. Resources migrate from one project to the next to. Resources tend to migrate between orders in response to the latest, loudest customer demand in an attempt to keep as many customers satisfied as possible and also to show as much simultaneous progress as possible to different customers;
- Task estimating.
- Work Time
- Work expands to fit the allotted time. If a task is estimated at 10days, it is usual for it to take less. This is because people will simply adjust the level of effort to keep busy for the entire schedule.

- Adopt counterintuitive rules

Reduce the amount of work in execution. Instead of —as soon as; possible, release work based on the availability of most loaded resources (these are what limit the amount of work that can be done) Place blocks of protective time, called buffers where they can do most good. Remove safety from individual's tasks, and concentrate it into explicit buffers that protect the whole project-at the end of critical chain and where other chains feed it. Allow individuals tasks within projects to be late. Use a buffer index (work completed along any chain divided by the buffer consumed at the end of that chain) to drive and measure performance. Based on above schedules can be made aggressive and projects still be delivered on time, on budget and on scope.

- Attack Policies not behaviors

It is a myth that you need to change how people behavior (procrastination, multitasking, unnecessary polishing of already finished work etc.) in order to improve project performance. The reality is that the following policy changes will give you much better

- Delivery Delay

Late delivery of fabric leading to air shipment of apparel export orders is a nightmare to both the fabric suppliers and the hapless apparel exporter. Supply Chain Integrity of apparel business heavily depends on the timely delivery of fabric. Still, most of the fabric and garment manufacturers face this issue every now and then, finally resulting in the buyers' demand of shipping the merchandise by air, or worse, cancellation of the order and slapping of stiff penalty.

Air shipment costs are prohibitively expensive. One air shipment can wipe out the profit of several other orders and only makes the air cargo companies richer! Sometimes the air freight cost may go as high as 40 to 50 percent of the cost of garments. Further, the relationship among all three partners in this supply chain-the fabric supplier, garment exporter and the buyer gets affected, making future business difficult. Is there any foolproof solution

After spending long years of association with the business of textiles in India & Far Eastern countries and coming across thousands of cases of late shipments and timely shipments, I could discover a more or less well defined pattern that determines whether a fabric shipment would go on-time or late. Most interestingly, the fate is decided sometimes as early as during the finalization of the order and in other cases, during progress of the order. Contrary to popular beliefs, the earlier a problem develops, the more it becomes difficult to manage the timely delivery.

- 1) Delay in Scouring the Raw materials
- 2) Production urgency
- 3) Delay due the Job Works
- 4) Delay due to the Dyeing Problems and Improper Dyeing methods.
- 5) Due the unwanted delay in the Accessories and label Items.

5.2 There are different methods in garment shipping methods:

String system – In containers prepared using the string system, pieces of knotted ‘string’ run from the top of the container. Factories then hang garments in bundles by inserting hangers into each knot of the string.



Bar system – Factories load the garments directly onto bars set up in the container – similar to a wardrobe.



The pictures and explanations below will help you understand the process further..

1. The inside of the container is lined in order to keep the cargo clean.. Notice the iron railings on the side panels of the container extending the length of the container..



2. The interior of the container in a fully covered state.



3. fitting the cross beams between the two railings that extend the length of the container



4. Knotted strings being tied to the cross beams which will be used to hang the garments



5. The interior of the container with all the lining done, the cross beams fitted on the railings, the knotted strings fitted onto the cross beams – already to hang the garments – spic and span



6. View of the container after the garments has been hung up to the maximum limit and an outer lining to further protect the cargo from dirt, dust during transit.



Depending on the type of garments, there could be other types of GOH outfitting.

7. Below is another type of GOH container being packed and here you can see that there are two bars for hanging garments, one below the other.



8. View of the container with double bars after it has been packed fully



6 Conclusions:

Cause

Over shipment and short shipment can both be caused by an error at the source, where the incorrect quantity is shipped or the incorrect quantity is listed. As the terms indicate, these can fundamentally be caused by errors in the source of the shipment. Short shipment can be reported by the recipient if some of the goods disappear in transit, such as by theft or loss. Over shipment is unlikely to occur due to changes in transit, unless spurious items somehow enter the cargo or the shipping list is damaged or altered in transit.

Problem

Short shipments and over shipments can cause accounting problems due to paperwork not matching up with the actual delivery, and need to be manually corrected. Falsely reporting a short shipment can be used to perpetuate a fraud, by stealing the items actually received but reported not to have been. To prevent detection, this generally requires keeping two sets of books or filing two disagreeing sets of paperwork.

Solutions

When a short shipment or over shipment is noticed – most often by recipient, but potentially by sender if an error is noticed post-shipment – the other party should be informed promptly, so corrective action can be taken. These include supplemental shipments for short shipments, returning merchandise for over shipments, issuing corrected invoices if actual quantity is acceptable, etc. These can also include investigations into causes, to ensure that fraud or theft is not occurring, or to verify that a mistaken shipment actually occurred (and a short/over-shipment is not being incorrectly reported).

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