

Dear Readers,

Tirupur Knitwear Cluster is very unique as compared to other clusters in India and it was very much visible in the last quarter of FY 2010/11. It is due to the efforts of brave and determined industry stakeholder that the industry has survived the tough times in the recent past. We are looking forward to assist the industry in any possible way with in the boundary of project guidelines. With the continuing support from SIDBI and the donor organisations of this project, we expect to catalyze the expected impact of such initiatives under the project.

The Financial Year 2011/12, is highly important for the cluster to prove itself as the initiatives taken will have great impact on deciding the future of the cluster. As always we thank all our partners for their support and expect the same ahead. With this issue of Newsletter we present you various activities we have undertaken in the cluster to improve the core competency of the cluster. We appreciate all the BDS providers who have worked along with us to provide a good result even in such a tough environment. We are happy to share their achievements and expected savings potential in the cluster using their expertise.

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## PRODUCTIVITY IMPROVEMENT PILOTS

Tirupur Knitwear Cluster has a production capacity to export knit wear products worth Rs. 40,000 Crores annually, but it hardly achieves even one fourth of it. One of the reasons being flaws in the productivity. Hence need for expert interventions in this was felt. Three firms were identified on a pilot basis and BDSPs – Innotec Consultants, Sujith's Consultancy Services and NIFT-TEA were appointed to implement Productivity Improvement Programme and achieve set target objectives.

Innotec consultant, which worked in a vertically integrated unit suggested various improvement initiatives were the management invested a total of Rs. 6,10,000/- and reaped a benefit of Rs. 22,28,760/- during the first quarter itself. The installed capacity utilisation was also improved by 28%. The annual savings through implementation of cost reduction techniques and waste minimization in Man, Machine and Materials alone is estimated to be Rs. 1,29,10,240/-. The Management has been highly satisfied and was so pleased to continue with the services of the BDSP for another 6 Months to achieve higher results.

Sujith's Consultancy Services worked with a firm catering to the domestic market faced the challenge of change management throughout the systems of the organisation. Implementation of a proper and professional organisational system itself resulted in transforming inventory worth Rs. 3 Crores to marketable products. The quantum of achievement will be understood when we consider the fact that the firm with an annual turnover of Rs. 5 Crores is keeping an unidentified and untraced inventory of Rs. 4 Crores. Here the fabric cycle time was reduced from 47 to 20 Days and then a new target for improving the production by 30 % was set and achieved. The BDSP succeeded in integrating the program backward throughout the supply chain with the whole hearted backing from management. Sighting the benefits of the program the management has redefined their business objectives and new targets were set to achieve an annual turnover of Rs. 20 crores in this financial year using the guidance of the BDSP.

The faculties of NIFT-TEA, now evolved as BDSPs, conducted a week's research on the production line of a garmenting unit. They identified various areas for improvement and suggestions were put forth for the approval of the management for implementation. Satisfied with the results, the firm employed the BDSP for optimising their production line and thereby achieving higher productivity. New concepts and systems based on the principles of garment engineering were introduced. Training programs were organised to motivate the work force and ensure better productivity and quality by accepting the new concepts. At the end of the program, the firm acknowledged that the intervention has helped them in improving their productivity by 28% and reduce defects by a great extent.

### Training to Improve Productivity & Quality

A lot of training programmes are being conducted in the cluster, to cater to the need of its skilled enhancement. A training program in the cluster to address the skill gap of the workforce especially at the shop floor level was conducted. As a project initiative, support was provided to train 2 batches of 30 workers each through ten firms, in coordination with KNITcMA (local industry association) and Bala's School of Knitting. In premises training mode was adopted to improve the productivity of the firms thereby giving them a competitive edge on one hand and sensitizing the industry about the importance of training on the other. This will also establish local BDS providers in the area of training.

10 firms were identified for BDS intervention. The firms were asked to nominate their knitting machine operators for training. The training was designed through both class room sessions as well as on field applications. Suitable time was identified in consultation with the workers as well as the management as the BDS was flexible and emphasised on not affecting the daily operations of the firm.

The training provided a better understanding on the knitting machine and its parts. The importance of fine tuning the knitting machine based on the types of yarn was explained along with possible defects expected on the final garment if overlooked. Various types of defects which can arise in later stage of garment production due to errors made in knitting also were discussed.

### Training program on Industrial Engineering Techniques

A training programme on Industrial Engineering was conducted in association with ATDC and NIFT-TEA with the objective of enhancing the skills and productivity of industry professionals. The objective was also the efficient utilisation of resources and more responsible production by minimising all types of wastages in the cluster.

The training was taken through interactive sessions, case studies, practical exercises etc. Topics covered are given below:

1. Analysing method study in sewing through MISSCHURN.
2. Factors influencing for lower productivity.
3. Garment engineering in cutting room.
4. Pre production activities & activity sampling study.
5. Analysing operator performance.
6. Method for setting standard time.
7. Work place layout engineering.
8. Sewing line balance.
9. How to manage WIP in production.

The training programme was conducted at NIFT TEA City Centre. Initially the training was planned for 10 days got extended as requested by the participants the training including on field trainings and field visits.

### Second Cluster Coordination Committee Meeting

Second Cluster Co ordination Committee meeting was organized for discussing the activities performed in the cluster and viability and continuation of possible ventures in the upcoming semester. The purpose was to have a close watch on the activities carried out in the cluster and to get suggestions from the industry people for the better implementation of the activities planned for the next year. The various activities performed during the meeting were.

1. To have a review and presentation of the activities carried out in the cluster till date.
2. To get feedback from beneficiaries.
3. To get suggestions from the committee members about the activities proposed for new action plan.
4. To get feedback from BDS.
5. To collect suggestions and feedback from members for improvement as well as for supplementary action plan.



### Workshop on Energy Conservation

WISE Management Systems ( A BDSP introduced by the project) now an established brand in the cluster for energy audits have been associated with the project since they were formally introduced in the cluster as a strategic BDSP. The energy saving potential in all specific points of the value chain from spinning of cotton to yarn, Knitting, Processing, Garmenting and all associated services has been separately explained to the participants.

As a part of the program a New BDS named M/s. Pothigai HRD was also introduced as a strategic BDS provider for serving the industry by organising similar events for improving the competency of the cluster. Important personalities including the MLA, Mayor, Dist. Collector, Association Leaders etc., were present who emphasised the need of such initiatives. The need for properly utilising the project opportunities was also discussed.

This workshop helped in creating more awareness in the cluster about energy saving measures and the amount of monetary savings associated with it. Also, introduced the key areas of energy utilisation and the scope of energy savings in each area throughout the value chain in Apparel Manufacturing 68 firms and 18 others were participated in the workshop.

### **Awareness Programme on Registration of Professionals and MSME in Online Database**

MSMEs in India face many problems in different areas of their work and require professional expertise. There are lakhs of professionals too looking for opportunities to use their expertise. msmemotor.in is an online service to bring these two groups together for achieving the desired result. To bridge the gap between these two groups an awareness programme on registration of professionals and MSME on online database was organised. The dissemination programme was organised at KNIT-TECH Trade Fair at stall number C-54 along with M/s. NIFT TEA Knitwear Fashion Institute. More than 250 people visited the stall from across various areas. The purpose was to create awareness among the cluster stakeholders about msmemotor.in platform through printed pamphlets and brochures. Through this programme it is supposed that the MSMEs gets a trusted area to find the expertise of their choice and requirements and the BDS will get an added value through the portal and can get opportunities all across the MSMEs in India.

### **3rd Entrepreneurs' Club Meeting**

'Entrepreneurs' Club' was promoted among the exporters of Tirupur to discuss the possibilities of availing various support facilities available under the project and from the schemes of Government of India and various other organizations. During the course of first two meetings it has been proposed to utilize new opportunities in the market through creating strong marketing support. The sourcing agents, who are the link between the market and the exporters came together to bridge this gap and hence it was decided to form a strong basement to operate from and hence it was proposed to form "Tirupur Sourcing Forum" and to link it with Entrepreneurs' Club.

A theme meet was organized to present the concept of TSF to the Entrepreneurs' Club members. Sourcing agents operating in the cluster had interactions with the club members and discussions were held on the scope of the linkages created. The sourcing agents opined about the opportunity of using the Club members as their suppliers.



### **Training Programme for Women**

Women workers play a vital role in the development of Tirupur Knitwear Cluster. Garment industry has got more females involved, as compared to any other industry. Every year, 8th of March is celebrated as "International women's day. It was proposed to conduct a training program in the cluster especially for women. As an initiative, support was provided to train 300 women workers.

The programme was focussed to guide the workforce to gain basic knowledge on their professional and personal well being. A considerable change in the attitude, working environment and productivity are expected. This will help the women workforce to concentrate more on the work as well as to understand the importance of the work they do and hence productivity will be improved. Workers from various units participated. Above 300 women workers were trained from 56 different firms.

### **4th Entrepreneurs' Club Meeting**

In the fourth meeting more members were invited to join and strengthen the entrepreneurs club, to avail various benefits under different schemes offered by the government there by leveraging the wide spread usage and sustainability of BDS activities in the cluster. A Seminar on new market opportunities for knitwear products and the changing trends in the global market was organised. The seminar was handled by Mr. Manigandan –Apparel Global Consulting, who is also adviser to Tirupur Sourcing Forum. He discussed the changing global trends and needs in the apparels with the Entrepreneurs' Club members. Sourcing agents operating in the cluster also had interactions with the club members and shared their buyers' changing requirements. There were a total of 27 participants from 18 firms.

### **Support for Design Development**

International designers play predominant role in the industry as the designing talent in the cluster is underutilized and overlooked. Hence efforts were taken under the project to promote locally available talents in bringing out the new design concepts and make the field more competitive. In order to promote the young designers with the help of experts in designing field, a club named "Designers Club" was formed and promoted widely through the platform of NIFT TEA. Designers from the cluster are encouraged to become part of the club and various activities were organized to encourage them to bring more ideas and outputs and other industrial linkages has been provided.

The members of the designers club were linked with established National/International level designers to expose them to the technical requirements as well as the new market trends. Hence to prove their metal and acquired skills, support was provided for design development. A total of 50 designs were selected and samples were made and displayed at a stall organized at NIFT TEA. Various industrialists who visited the program appreciated the designs and few were chosen by them for commercialized production.

## ENERGY SAVINGS INITIATIVES

The cost of energy varies between 12 to 15% of total manufacturing cost but, this is in ideal conditions and can rise up if not properly managed, initially more emphasis were put on manufacturing and productivity, hence avoiding the important factor of energy conservation. But gradually the growing concerns of buyers and brands over the environmental and Green House Gas Emissions, and concern of energy conservation and sustainable practices becomes integral part of the business activities. In addition to economical and environmental benefits, Energy conservation activity raises business's profile amongst contemporary players.

In order to reduce the energy consumption in the cluster and to assess the energy saving potential in the plants to make the units more competitive, energy efficiency exercises were organized in the cluster. The objective for these audits was to identify techno-economically viable energy conservation areas. Wise Management Systems (WMS) a prominent and experienced BDSP in energy Management has been appointed across 10 firms through the value chain on a pilot basis. The energy saving program has given remarkable results as per the first quarter analysis given in the table below\*.

Firm Type	Investments Made	First Quarter Savings Post Implementation
Knitting	Rs. 1,07,500.00	Rs. 1,05,000.00
Integrated	Rs. 7,80,000.00	Rs. 4,02,500.00
Processing	Rs. 2,10,000.00	Rs. 2,80,500.00
Dying	Rs. 14,90,840.00	Rs. 5,72,666.00
Garmenting	Rs. 3,50,000.00	Rs. 2,08,700.00
Integrated	Rs. 16,55,000.00	Rs. 30,29,904.00
Garmenting (Domestic)	Rs. 70,000.00	Rs. 54,058.50
Processing	Rs. 11,70,000.00	Rs. 4,40,833.00
Spinning	Rs. 16,05,000.00	Rs. 21,00,000.00
Printing	Rs. 1,67,500.00	Rs. 2,00,432.00

\*The figures given in the table are based on the balance sheets and other documents provided by firms and names of the firms are not given. Based on a general trend the findings of BDSP in a nutshell can be stated as

- Tirupur Textile Cluster has a potential of saving Firewood of about 7-16% of their consumption.
- Electricity Savings potential in this cluster is about 11-15%.
- The Initiatives implemented in a plant resulted Emission Reduction of approximately 800 tonnes of CO2 annually.
- Energy Efficiency & conservation is the unique way to minimize costs & maximize profits.

The Energy Audits and Saving Potential in the firms have been a huge success and the number firms that are coming forward to avail these benefits is gradually increasing.

## RISING OF A NEW BDSP – “POTHIGAI-HRD”

The vital strength of an MSME cluster is based on its skilled human resources. The growth of Tirupur Knitwear cluster from its very beginning is credited to its highly dedicated and hard working shop floor employees.

As attributed to any continuous human activity; fatigue, tensions and corresponding mental depressions, injection of new unskilled individuals in to the production line hereby affecting the balance of various quality circles' etc., this has been daunting the cluster there by decreasing the productivity as well as the enthusiasm of the work force. It is in this scenario that the expertise of few people has been brought under a strong banner “POTHIGAI-HRD”.

POTHIGAI-HRD lead by well experienced BDS provider Mr. Sundereshan focuses on spiritual rejuvenation and motivation of the work force using basic principles of “simple living and high thinking”. POTHIGAI-HRD has been remarkably successful in providing good results in elevating productivity of the work force. Highly impressed with the impact of its programmes, the project partnered with POTHIGAI-HRD for a few initiatives and also provided support to promote their services in the industry.

POTHIGAI-HRD works on the following,

- A healthy human being delivers high productivity.
- A healthy human requires a healthy mind.
- To keep an individual healthy he/she should be provided good food and recreation.
- Individual health is self-responsibility and the work force should be aware of this fact.
- The responsibility of the organisation is to provide a proper environment and system to guide its employees to cultivate such practices to take out maximum output from them.

For this POTHIGAI-HRD has developed various tools and techniques based on the principles of yoga, advices from physicians and the research conducted among the workforce etc. This concepts has been successfully demonstrated in a training program sponsored by the project, where more than three hundred women workers participated. Lot many of them shared their experiences in their work life as well as family life leading to severe psychological pressures affecting their physical as well as mental health. They agreed that these factors affected their productivity at workplace.

Proper counseling were provided to them and the BDS advised few practices to overcome their difficulties. The supervisors and managers who participated in the program have informed that the program had a good effect on their workers. Sighting the success, a lot of firms came forward to avail the services of POTHIGAI-HRD.

## UPCOMING EVENTS

- Training program in Lean and Six Sigma - Black Belt
- Training program for knitting operators - 2nd phase
- Workshop on process improvement
- Workshop on outcome of Productivity Improvement Pilots
- Magazine for Designers Club and National Seminar on Design Development
- Formation of BDS Mart.

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