



Inspiring Excellence

**“Inventory Management of Kaniz Garments Limited and possibilities with
Agile Supply Chain Model”**

Course Code: BUS400

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G R O U P



Inventory Management of
Kaniz Garments Limited and
possibilities with Agile Supply
Chain Model

Letter of Transmittal

30th April 2019

Md. Hasan Maksud Chowdhury
Assistant professor, BRAC Business School
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Subject: Submission of internship report on “**Inventory Management of Kaniz Garments Limited and possibilities with Agile Supply Chain Model**”

Dear Sir,

With due respect, It is my pleasure to submit my internship report titled “Inventory Management of Kaniz Garments Limited and possibilities with Agile Supply Chain Model” for your perusal. As per the requirements of BUS 400 course, I have prepared this report as effective as possible with sufficient information and analysis of the concept. Moreover, using my past experiences and skills, I have been able to capacitate the relevant data and present them accordingly in this report.

This report reflects upon the current inventory management of Kaniz Garments Limited and also the future potential of higher efficiency and productivity through the implementation of Agile Supply Chain Model.

Along with the guidance of your and assigned supervisor at “Group QA” help me to successfully complete my internship report. With these guidelines, I have collected primary data to understand the actual scenario of the internship topic.

I pray and hope that you would be kind of enough to give feedback on the report and request your approval thereby.

Sincerely,

Tim Mirwat Hossain
ID: 16304171

Acknowledgement

I would like to convey my heartfelt gratitude towards every individual who have helped me to complete my internship program and prepare an effective internship report. A special thanks to my supervisor Mr. Ziaur Rahman Khan for teaching me all the necessary work during my whole internship period. Without his help, completing the task was not possible. Moreover, his continuous support and encouragement helped me to complete my designated task especially in writing this report.

In addition, it would be complete unjust if I do not recognize our respective faculty Md. Hasan Maksud Chowdhury, who gave me all the necessary guideline throughout the program preparing a report that is effective and insightful. A special thanks goes to the Chief Operations Officer of the Apparels Division of Group QA who has allowed me to use all the necessary arsenal of data and access to different stakeholders to prepare my final report on the given topic. His contribution in helping me understand every other concept and real-life business scenario has the largest impact on my internship report.

Finally, I would like to thank to my dear family and friends who provided me the continuous support, love and care whenever I needed anything. Without them I would never be able to complete my task successfully.

Company Overview

Group QA is the parent company of Kaniz Garments Limited (KGL) which is the main factory of its production, manufacture and export of readymade garments business. The company also operates factories that go by the name of Kaniz Fashions Limited (KFL) and Abedin Garments Limited (AGL). Another factory has been recently discontinued (Waqfi Fabrics Limited). Other ventures that fall under the umbrella of Group QA include Abedin Equipment Limited, One Culture and Auto Crop Care Limited.

The company is headed by its Director, Quazi Ehsanul Abedin, and was established in the year 1983 with the AGL unit. The production plants are primarily housed at 228/A, Tejgaon Industrial Area, Dhaka-1208, with the construction of a newer facility at Madhabdi currently underway. The company employs over 3000 people (including management and non-management staff) across its multiple factories and head office building.

The stated *objectives* of the company are:

- To ensure the highest quality of our products
- To remain vigilant for timely delivery of garments
- To shoulder the responsibility of meeting our buyer's expectations
- To adhere to internationally accepted business code of conduct and ethical business practices

The *vision* of Group QA is:

“Undertake incessant efforts to achieve the apex of excellence in meeting the expectations of our valued buyers.”

The *mission* of Group QA is:

“Dedication to achieving our buyers' satisfaction.

Commitment to providing the best services to buyers.

Exploration of global benefits and opportunities.” (Group-qa.com, 2011)

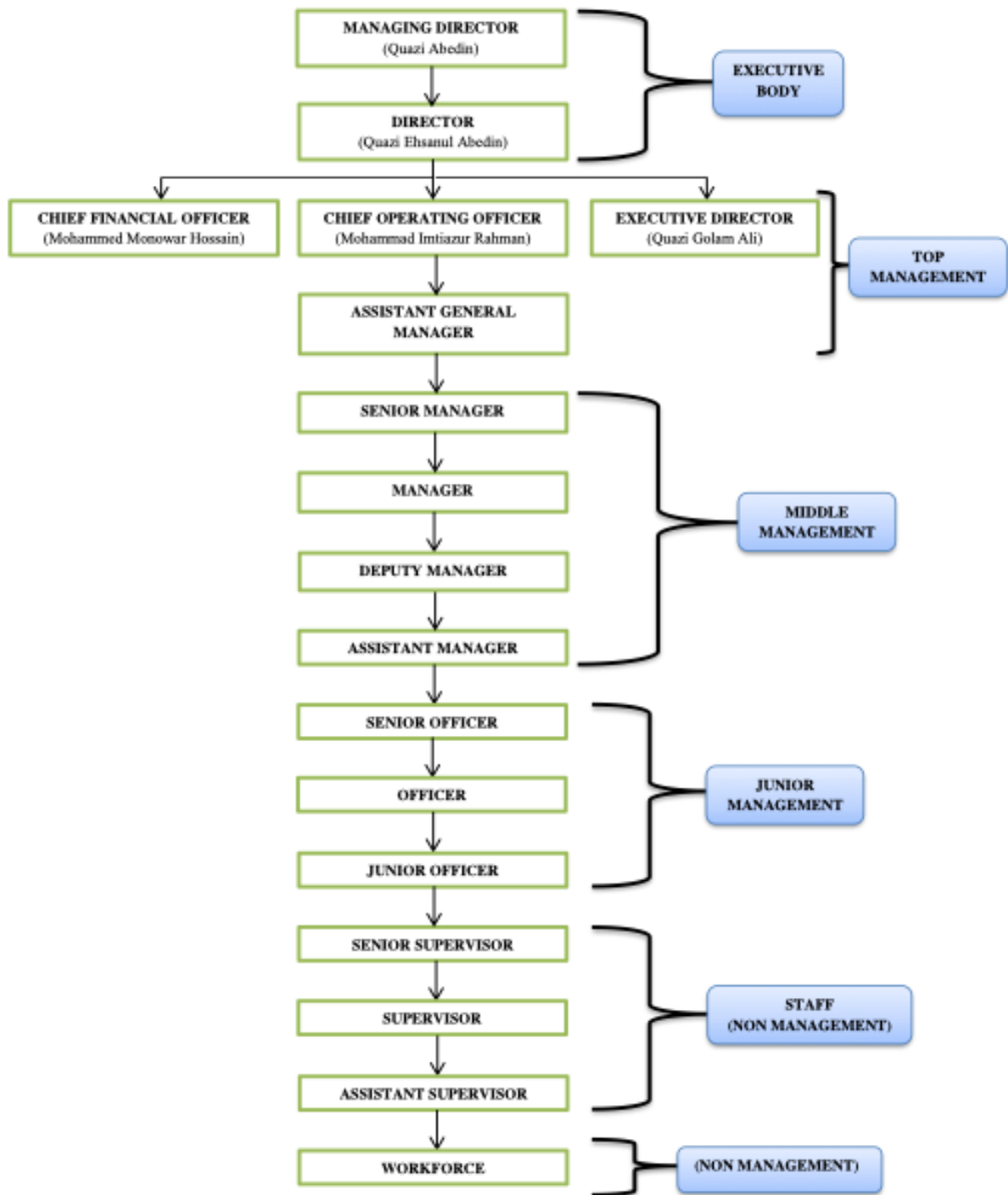
The international companies that the organization currently has working agreements with for the manufacture and export of woven fabric garments include the following world-renowned brands and sub-brands:

- ✓ H&M (Hennes & Mauritz AB)
- ✓ C&A
- ✓ s.Oliver (s.Oliver Bernd Freier GmbH & Co. KG)

- ✓ Debenhams
- ✓ M&S (Marks & Spencer)
- ✓ Camaieu

With a yearly turnover of over \$30 million, Group QA and its subsidiaries continue to be some of the most successful ventures in the RMG sector. The business is being run on the philosophy of Total Quality Management (TQM) and is one of the leading companies in the textile industry of Bangladesh.

Company profile



Executive Summary

This report runs through the current storage and inventory management system of Kaniz Garments Limited (KGL). It has divided the functions of the store into import and export for the sake of easier understanding. While doing so, the report has drawn attention to few of its key functions,

- Receiving Inbound Inventory
- Shipping Finished Goods
- Inventory Management
- Internal Material Audit
- Transportation Management

The flowcharts stipulated throughout the report are highlights of each one of the functions performed by the store.

At the same time the report has tried to identify the best suitable supply chain model for KGL. In an effort to do so it has gone into the details of Agile Supply Chain model, its foundation factors and looked into the untapped potentials of the making integrating an Enterprise Resource Planning (ERP) to the existing system.

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1. Introduction of the Report

Rationale of the study

The rationale behind this study is first to portray the current state of the inventory management system of Kaniz Garments Limited, a ready made woven garments factory that has been operating for almost the last 30 years. At the same time to understand the feasibility and possibilities of implementing agile supply chain model in Kaniz Garments Limited.

Statement of the problem

Many of the current workforce has been working with the organization for over the last 2 decades. As the organization is faced with the challenge to either retain its current workforce or introduce machine reliant services, this report will try to identify how a balance can be met between the old and the new by implementing the agile supply chain model.

Scope and delimitation of the study

The report will not just portray the possibility of implementing a certain supply chain model for a single RMG factory but it will help to get a grasp of the possibility of such similar manufacturing industries.

Objective of the study

The objective of the study is to understand,

- The current inventory management process of Kaniz Garments Limited
- How Agile Supply Chain may affect the existing model of KGL

2. Review of Related Literature

The role of inventory management has been key to any business, may it be a manufacturing organisation or a service organisation. Efficient inventory management helps to ensure timely delivery of finished goods or semi finished goods Mentzer, J. T., DeWitt, W. , Keebler, J. S., Min, S. , Nix, N. W., Smith, C. D. and Zacharia, Z. G. (2001). The nature and practices of inventory management has changed over the years. Organisations are now in the race to pick the best strategy for its holistic supply chain management system. As for the fashion industry, agile supply chain model has proved to be the best possible option. It allows a manufacturer to be responsive (Harrison, Christopher & van Hoek, 1999). In the 21st first century, in order to be truly responsive the need for technology just cannot be taken ignored. This where the use of Enterprise Resource Planning (ERP) comes in. It allows an organisation to complement the agile supply chain model. Through its real-time tracking and integration between all the functions of the business, ERP makes it easier for businesses to be more productive and efficient. (Shaul, 2016)

3. Methodology of the study

The information regarding the current state of the inventory management system has been collected through actively being working along at the store of KGL. It is to be deemed as primary data. As for the future outlook on to the implication of agile supply chain model, most of the information has been derived through different secondary data sources such as articles and research papers.

4. Analysis and Interpretation of the Data

Inventory Management of Kaniz Garments Limited (KGL)

In any business warehouse plays a key role in the inventory management process. As for the Ready Made Garments (RMG) industry, warehouse stores both the raw materials, packaging materials and finished goods. Kaniz Garments Limited is no different. Store department oversees the inventory management functions. It plays the role as the first level of contact for transportation management as well. When we refer to inventory management or the functions of store, much of this is referred to that of the bonded warehouse. Bonded warehouse is the non-duty and tax facility received by the export oriented industries for importing of raw materials and packaging materials. National Board of Revenue (NBR) is the responsible government body to facilitate these benefits to the exporters. As a government body is involved in the process, the documentation and maintenance of the warehouse becomes even more critical.

If we are to simplify the complex functions of this department for the sake of comprehension we must look into its key functions first,

- Receiving Inbound Inventory
- Shipping Finished Goods
- Inventory Management
- Internal Material Audit
- Transportation Management

Very obviously, there are other roles that the department plays to ensure smooth functioning. Many of these fall under the above mentioned roles and are interrelated.

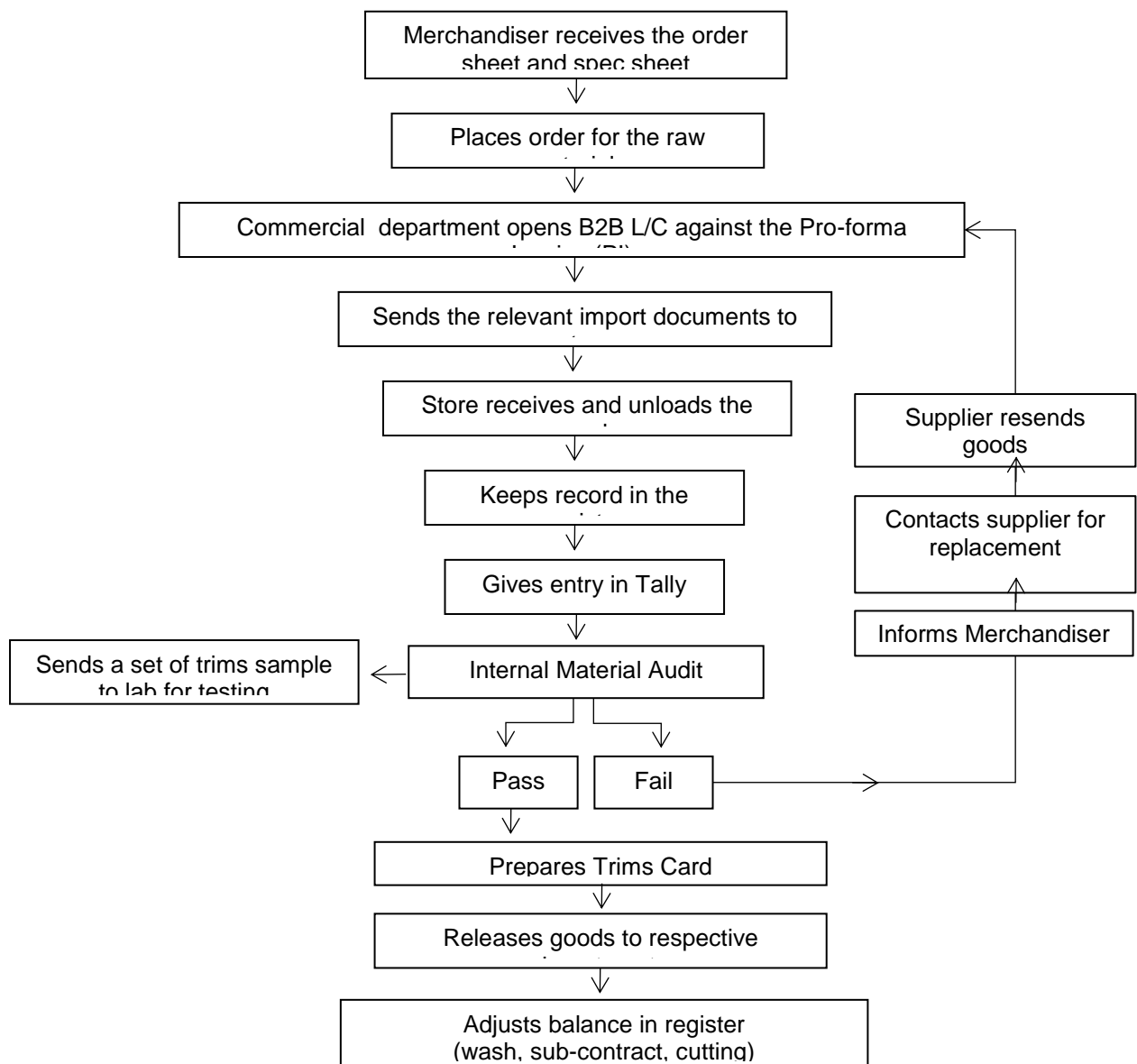
In order to better understand these roles, we will be dividing the store operations into two parts:

- 1) Import
- 2) Export

1. **Import:** As the RMG Industry is heavily dependent on raw materials of various natures, import is crucial to the process. It is not that all the raw materials and packaging materials that are procured for manufacturing are imported from abroad. For the sake

of greater understanding here we will largely consider the import procurement functions that the store is inclined to. The process starts with the merchandising department involving the commercial department and, involving the store in the process.

The flowchart below is an overview of how the store is involved during and after importing goods:

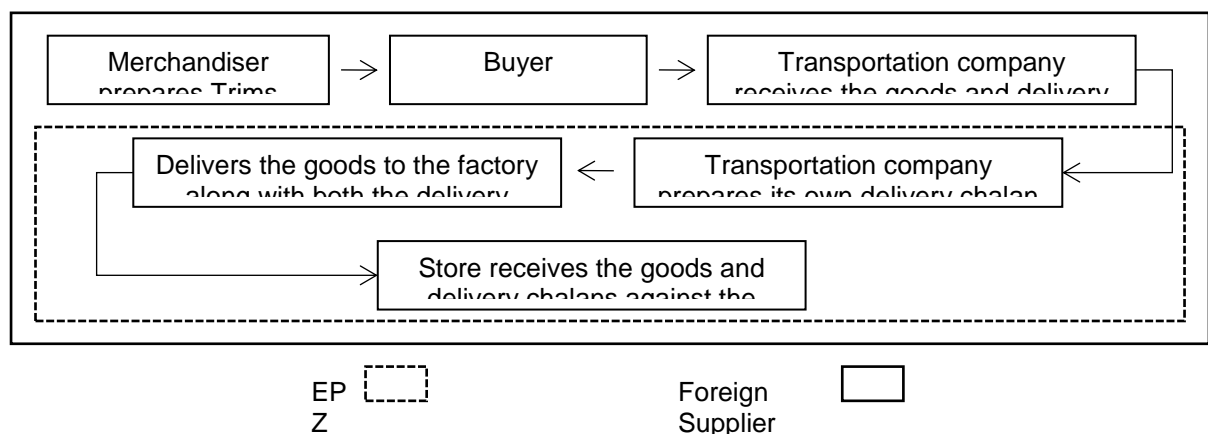


Flowchart: Import functions

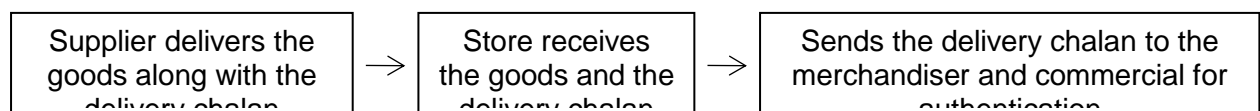
Import starts with the initiation of the process from the merchandisers end. Merchandiser first receives the order sheet and later on the Spec Sheet/Product Life Management (PLM) from the buyer where the raw materials and packaging materials that are linked during and after the manufacturing are mentioned. In most cases, the buyer specifies it's nominated suppliers from whom the materials are to be acquired. Thus, after receiving the order sheet, the merchandiser places order for fabrics, trims and all the other required accessories. Then, the commercial department submits the Letter of Credit (L/C) application form along with the Proforma Invoice (PI), L/C Authorization form and the cover note (for foreign suppliers/Export Processing Zone) to bank to proceed with the import and payment procedure. During, the time of receiving the imports, commercial department sends a copy of the import related documents (commercial invoice and packing list) to the store. From here onwards, the functions of the store commence.

a) **Receiving goods:** Store receives the goods against the delivery chalan provided by the transportation company, where the quantity of the goods is mentioned. If the goods are being imported or being sent from the EPZ then the process is quite straight forward. The store checks the chalan against the commercial invoice and packing list to ensure the description and quantity of the goods is as per the order. Although, if it is from a local supplier then after receiving the delivery chalan, store sends it to the corporate office, for the merchandising department to check the price and quantity and, the commercial department to check the L/C number.

The below flowcharts will help to draw a contrast between the receiving of goods from a foreign supplier/EPZ and local supplier,



Flowchart: Receiving goods (Foreign Supplier/EPZ)



Flowchart: Receiving goods (Local Supplier)

The goods will be delivered under which terms and conditions are usually determined under the Incoterms 2011. Cost and Freight (CFR) and, Carriage Paid To (CPT) are two of the most used incoterms for import not just by KGL but also the whole industry. Depending on the quantity of goods the same raw material may come in a number of lots, during different times of the production. Store has two measurable goals, 100% on-time receive is one of the two. Thus, it is quite easily comprehensible how crucial the whole receiving process is for the department.

b) **Unloading goods:** After finding a match between the delivery chalan and invoice, it is time to unload the goods. While unloading the goods from the delivery van, first it is checked if the raw materials have arrived in sealed packages. If they have not then it is informed to the merchandiser. And, if they have then the security guard primarily checks the number of goods received while being unloaded. After finding a match with the documents, data entry is given in the register and the order checklist for the first time. The goods are counted once again in the warehouse.

c) **Documentation:**

Store maintains records or documents its procedure in,

- Register book
- Tally
- Order checklist

- **Register book:** After receiving and unloading the goods, register is the primary documentation tool that the store uses. Through this the store keeps track of the inbound and outbound inventory that goes through it and leaves an impact on the balance of goods in the warehouse. If the purchase order has been subcontracted to a third party, finished goods to be sent for final wash or any reason for which the goods are to move from the warehouse, the total balance has to be adjusted.

Size & Care Label, H&M – 30039

P.O# 372806 Black

Size - 32

Date	Received from whom	Rate	Issued to whom	Chalan no.	Received	Used	Balance

Figure: Register Book

- **Tally:** At KGL, for the ease of accounting, Tally is used for book keeping where the data of delivery chalan is given as entry. Only the store and accounts department has access to it.
- **Order Checklist:** Order checklist is a tracker prepared by the merchandiser to keep track of the total consumption of the raw materials as per each purchase order. The store also has access to it, to update the orders it has received over time.

d) **Internal Material Audit:** Internal Material Audit is where the store first checks with the packing list if the color and quantity matches or not. After which, each of the orders are audited as per the Acceptable Quality Limit (AQL). AQL is basically the percentage till which error/defect is acceptable. Usually, 10% of the total lot is inspected. Although, for anything that is calculated in yards is often inspected over 10% of the total lot. The minimum percentage of goods to be inspected is often set by the buyer.

The table below is the standard AQL guideline followed during inspection,

Single Sampling	AQL - 1.5			
	L-1		L-2	
Total Order Quantity	Sample Qty.	Accept	Sample Qty.	Accept
2 to 8	2	0	2	0
51 to 90	5	0	13	0
281 to 500	20	1	50	2
501 to 1200	32	2	80	3
35,001 to 150,000	200	7	500	14
150,001 to 5,00,000	315	10	800	21
5,00,001 and over	500	14	1250	21

Table: Acceptable Quality Limit

Generally, if any of the raw materials fail the inspection in level one (L-1) then they are inspected under the higher bars set on level two (L-2).

Inspection of the raw materials does not end after the AQL. Depending on the nature, further testing and checking is required. After trims have been inspected as per AQL, the tests mentioned below are performed.

- Inspection report and record keeping
- Metal trims nickel test and record keeping
- Metal trims ferrous test and record keeping
- Trims color bleeding check and over viewing supplier's test report
- Size label check with corresponding size key
- Metal item needle detector pass report
- Label supplier's test report
- Wash proof chalan of elastic
- Price ticket check

Materials Item Checklist: Other than fabrics, each of the materials go through the following item checklist,

Main Label:

- Check with original approved trim card
- Shade should be checked in light shade box and kept in record
- Label checked with the order sheet
- Un-readable labels are not acceptable

Care Label:

- Check with original approved trim card
- Shade should be checked in light shade box and kept in record
- Label checked with the artwork and order sheet
- Symbols, country code, instructions, Registered Identification Number (RN) checked with the artwork

- Order no., Product no. and season code should be checked with order sheet
- Un-readable labels are not acceptable

Elastic:

- Check with original approved trim card
- Shade should be checked in light shade box and kept in record

Zipper:

- Check with original approved trim card
- Shade should be checked in light shade box and kept in record
- Passed 100% needle detector and, nickel test per packet 1 piece
- Zipper lock and runner should be checked
- Zipper size grading should be checked with factory order sheet and measurement sheet

Button:

- Check with original approved trim card
- Shade should be checked in light shade box and kept in record
- Passed 100% needle detector and nickel test, one piece per packet
- Button line should be checked with order sheet and counter sample

Leather Patch:

- Check with original approved trim card
- Shade should be checked in light shade box and kept in record
- Leather should be moisture checked before and after wash
- Leather patch should be checked as per size grading

Price tag and info tag:

- Price tag should be checked with rumba sheet
- Price tag should be quantity checked with order sheet
- As for H&M, info tag is needed for 5 countries, Russia, China, Thailand, Croatia and Serbia.
- Info sticker is needed for 3 countries; Mexico, Chile and Indonesia

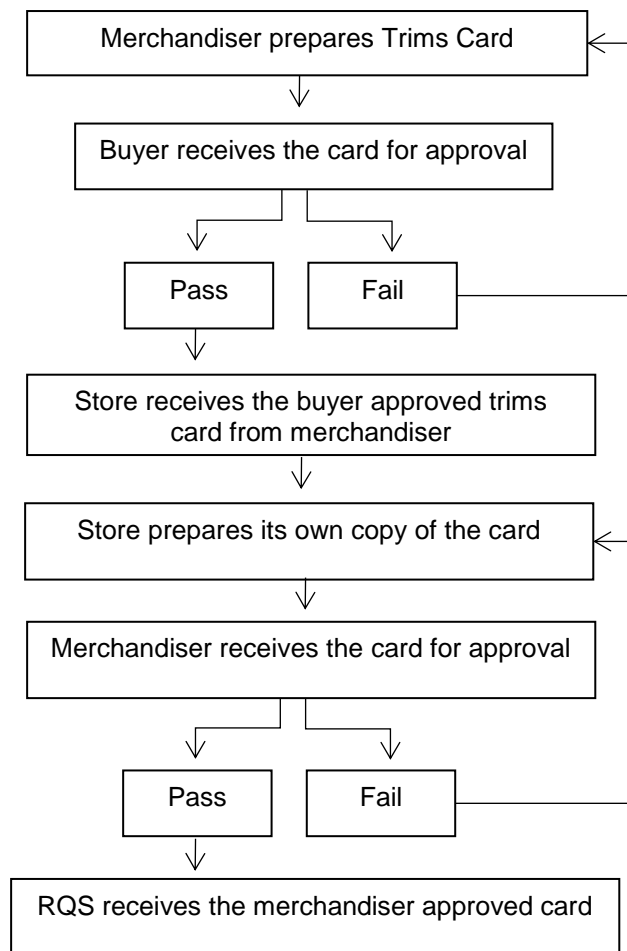
Additionally, for any metal trim to pass the nickel test, it is tested with a chemical mixture of Ammonia and Dimethylglyoxime. The trim is wiped with a cotton bud for 30 seconds. If, the cotton swab turns pink then the trim would fail the test. During the audit, labels and price tickets are checked by country to country against the invoice of the supplier.

Each of the trims is tested in Lab. Lab receives two pieces/1 set of every size of trims. But, if they have failed the test conducted by the store in the first place then further test is not required. It would be deemed to have failed the test.

Previously, we have mentioned one of the two measureable goals. 95% Internal Audit Pass is another measureable goal for the store. The long and complex inspection and testing procedure is just a reflection of the commitment to meet the set goal.

Internal Material Audit is inclined to a series of what ifs. If the goods pass the audit then it is to be added to the trims card. And if, it fails then the store informs the merchandiser to take necessary steps. As a part of these steps, the merchandiser addresses the issue to the supplier and requests for replacements. When supplier resends the goods as per the request, commercial department looks into the clearing process (if Import/EPZ). If it is from a local supplier then commercial department does not get involved, the merchandiser deals with the procedure while the store receives and releases the goods.

e) **Trims Card**: Trims card is the card based on which raw materials are supplied from the inventory to the production line. The merchandiser prepares the trims card and sends it to the buyer. Merchandiser prepares this card either during the sample production or, at times during bulk production. Upon, approval from the buyer the store prepares its own copy of the trims card. If, merchandiser approves the card then it is sent to the RQS (Requirement for Quality System), a quality control system designed by and for H&M.



Flowchart: Trims Card

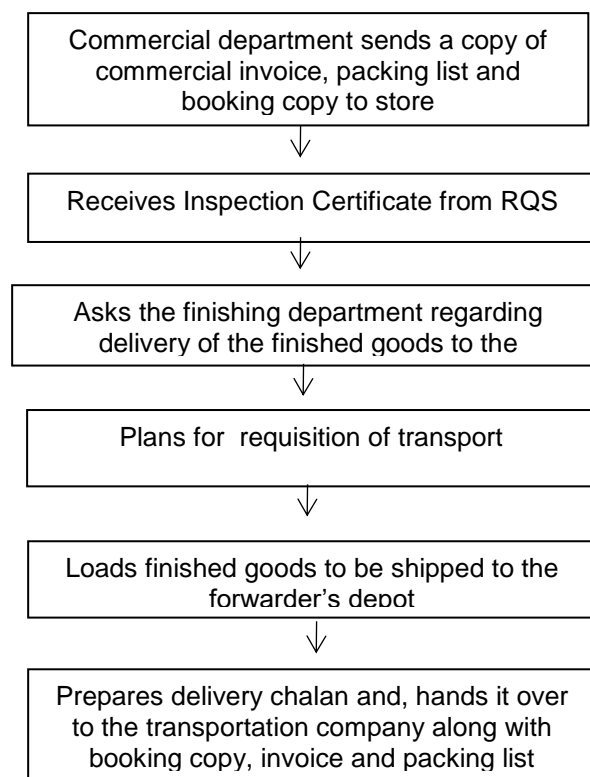
In a trims card, one is to find a sample of all the raw materials involved with the production; starting from the thread to each of the labels.

f) **Releasing to respective departments:** After all the above mentioned procedure has been completed, it is time for the raw materials to be moved along the value chain. If it is fabric then it will go into the cutting section and if it is any other accessories then it will go straight to the production line/sewing section. This can be considered to be the very last step of the store operations during import, but it is important to understand that this particular function is very much repetitive even under the same purchase order.

Store releases goods from the warehouse after it receives requisition slip from the concerned department. For example, if sewing requires care labels for its production lines then it must present a requisition slip prepared by the input man from sewing. Input man prepares this

requisition slip based on the cutting report from the cutting floor. This functions under a pull process, as the raw materials are released as per the demand from the production line.

2. **Export:** After the garment has been given its desired shape and meets the buyer's requirement, it is time for it to be shipped to its destination. H&M has its own cutoff days, based on which the finished garments are to be inspected and shipped as per country. The rest of the buyers do not have such cutoff day wise requirements, they are determined as per order to order negotiation with the buyer. The shipping procedure from the store's end is very much like the flowchart shown on page 14.



Flowchart: Export functions

a) **Documents from Commercial:** Commercial sends a set of documents to store for it to proceed with the on-boarding of goods for export. These sets of documents vary from buyer to buyer, but in most cases invoice, packing list and booking copy are to be received by the store.

b) **Inspection certificate:** Inspection Certificate or OK Report is basically a document that states that the finished goods scheduled for shipment have passed the required quality standard. This inspection is to be performed in-house by RQS or by third parties such as Bureau Veritas,

SGS, Intertek etc. After receiving the required documents from the commercial department, store checks with the finishing department to understand if they will be able to meet the shipment deadline. Once they receive affirmation from the finishing and, RQS provides them with the OK report/Inspection certificate, store now proceeds to transportation planning.

c) **Transportation Planning:** Once, store receives the inspection certificate and all the required documents from the commercial department, it starts planning for the number and size of delivery trucks required to deliver to the depot. This is essentially the only planning function performed by the store. The store determines the number and size of the trucks as per Cubic Meter (CM). It is usually recommended that the finished goods have been delivered to the depot 7 days prior to the shipment. But, this number of days varies from buyer to buyer and forwarder to forwarder.

As for H&M, generally if KGL misses any of the cutoff dates then it would be penalized by 5-10% per week from the order value. Penalization due to missing deadlines maybe exempted based on the rapport built with buyer.

Although, when the finished goods are being sent to the wash plant, KGL does not need to make requisition for the transport rather it is provided by the washing plant. KGL has to produce a deliver a chalan during this process to the wash plant in order to avoid any unwanted aggravation from the customs.

Final on-boarding: It is crucial to understand that regardless of the final mode (Sea, Air or Both) of shipment from the freight forwarders end, the documentation and on-boarding process remains the same for store. At this stage of the process store on-boards the goods as per the packing list and prepares a delivery chalan. Finally, it hands over the delivery chalan, booking document, commercial invoice and packing list to the transportation company.

Transportation Company delivers the shipment to the freight forwarder and documents to the C&F Agent.

5. Findings of Study

Agile Supply Chain

In order to determine the way forward for the inventory management system of Kaniz Garments Limited. First we must look into the nature of the industry. The fashion industry is one of the rapidly changing industries in the world. Round the year, every major fashion house is giving their best effort to introduce a new style to their seasons, if the example of Zara, a major fashion retailer is to be considered then you will find that there might not just be different styles in each seasons but the number of seasons might go up to 20 per year (Harrison, Christopher & van Hoek, 1999),. Clearly, the fashion industry is ever changing. To meet this ever changing demand, lead time probably one of the key factors for both the buyer and the supplier.

Lead time can be apprehended from three different perspectives.

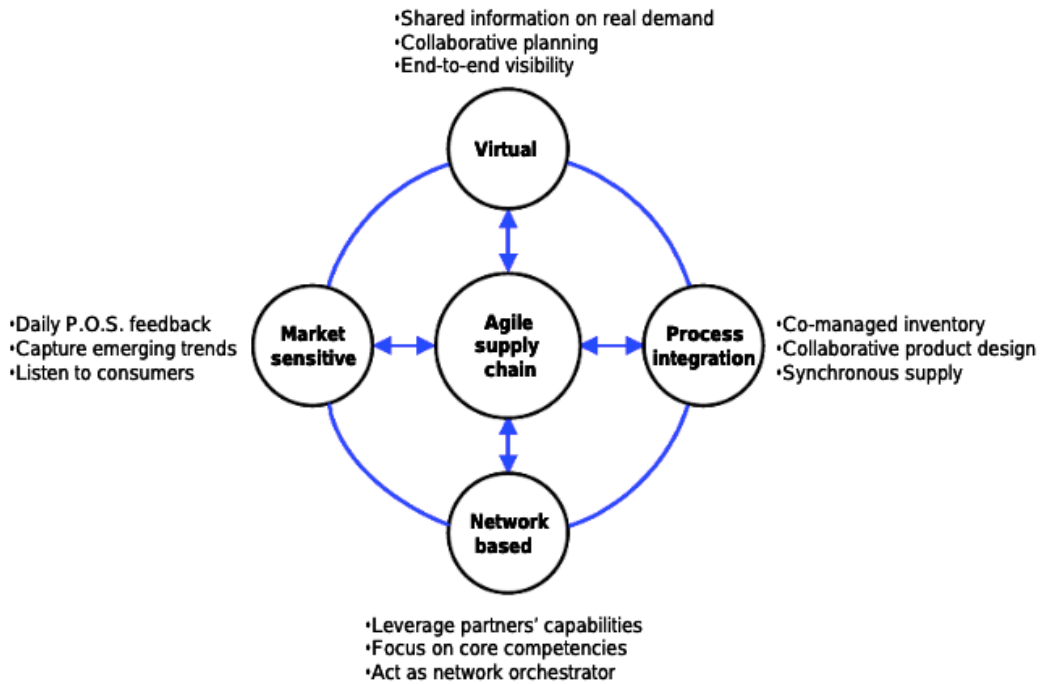
Time to Market – It the understanding of how long it takes to realize a particular demand of a product or service, and while doing so how long does it take to launch that product into the market.

Time to Serve – It measures the time that is required to receive a particular order and then deliver the service or product to the customer.

Time to React – It is the time that is required to adjust in response to a state of uncertainty or unforeseen change.

In order to address this, the implication of the Agile Supply Chain model is crucial. Agile Supply Chain model is deemed to be the opposite of Lean Supply Chain model. Agile is considered to be responsive.

As Kaniz Garments Limited is at the manufacturing end, the focus would be on the time to market lead time. In order to reduce the time to market, KGL already uses the Computer Aided Design or CAD. Yet, the question remains how can the lead time be reduced during the procurement of goods and how store can play a role here.



Model developed by Harrison, Christopher & van Hoek (1999)

Here are the foundations of agile supply chain model upon which KGL has to,

- Market Sensitive – Up to date to consumer trends
- Virtual – Transparency in information between supply chain partners
- Network Based – Access to wide array of industry experts
- Process Alignment – Integration between different processes.

Market Sensitive: Kaniz Garments Limited has already taken a number of initiatives to be sensitive to market demand. It has its own designer team to do research and in many cases suggest the buyer on upcoming market trends. Although, this is not integrated with the inventory management system, if the supplier could predict the upcoming design and prepare the warehouse for the upcoming order then it would truly have effect on its inventory management system as well.

Virtual: KGL's information system is yet to be truly virtual. It is virtual on the buyer and KGL end, but it is not virtual at the raw materials and packaging materials end. For this to happen there has to be an understanding between both the parties. It is difficult but not quite impossible as the suppliers are usually quite in common for almost all the purchase orders of the same buyer.

Network Based: The buyers usually provide their own set of experts when it comes to implementing a given order. The key is to identify the core competencies, especially for inventory management. It has to be in sync with the styles the production line is familiar with, as it would reduce the layout setup time and also it would reduce the waste of fabric due to regular replenishment.

Process Alignment: This is one area where KGL can really make the most of agile supply chain model. The current production efficiency is 60-75%. Considering the fact that KGL still has no Enterprise Resource Planning (ERP), such level of efficiency is quite impressive. Although, if ERP were in place, along with the other functions inventory management would be a breeze.

Implementation of ERP for effective agile supply chain

For an effective implementation of process alignment, ERP is crucial.

An Enterprise Resource Planning (ERP) system can be described as a high-end software solution that can be applied in business to meet the organizational goals by taking a view of the processes and integrating them with the needs of the enterprise. (Sudalaimuthu and Vadivu, n.d.)

Kaniz Garments Limited uses Tally ERP9 software to maintain their record keeping which is accessible to the store and the accounts department. However, this is a very limited utilization of the capabilities of a robust Enterprise Resource Planning (ERP) software system. I would suggest a gradual overhaul of the inventory management procedure currently employed by KGL through the introduction of an ERP module that can streamline the inventory management process by eliminating the cumbersome register based record keeping practiced by the personnel at present.

The current system at KGL is very time-consuming as rolls of fabrics need to be inspected or transferred to other departments for production activities often on the basis of requisition slips. There are sometimes delays in the data entry as the employees need to adjust balances in the registers and then enter that information into the Tally software. This limits the scope of the company infrastructure to make better management decisions or to obtain accurate information in regards to logistics or procurement requirements. Each of the stakeholders need to be provided access to any ERP system implemented for inventory management at KGL since the order of raw materials and work process goods being updated in real-time will help make their jobs easier and the factory production or shipment endeavors more efficient.

The enactment of the suggested ERP system is easier said than done. The apparel manufacture industry is vast and has numerous processes including raw material sourcing, sampling, fabric washing, pre-production planning and production cycles along with other tracking requirements such as the shipping dates or allocation of goods. (Shaul, 2016)

Therefore, specialized ERP software that can incorporate future variations in manufacturing costs or modifications of the product matrix needs to be introduced at KGL.

Recommendation

It is not that KGL is not in the direction to implement an agile supply chain model but it is yet to be done in a systematic manner.

The key reason to implement agile manufacturing is the freedom to customize (Sheridan, J., 1996). It would allow KGL to,

- Ensure upgradation and configuration of in different dimensions
- Produce batch size and order on an arbitrary basis
- Continuous improvement and change in design and process
- Fragmentation between different markets to benefit from economies of scope and scale
- Create value chain of each of the entities

By undertaking such an initiative, the top management of Group QA and its subsidiaries can:

- Minimize the human cost of capital and
- Decrease the reliance on manual decision making
- Reduce errors in judgment
- Streamline manufacturing facilities
- Ensure timely delivery
- Maximize production efficiency

Due to the aforementioned advantages associated to the successful execution of an ERP-based system, KGL should seriously consider switching their inventory management processes to this type of arrangement in the near future. Although, while doing so the biggest challenge will be to balance between embracing new technology and retaining the aging workforce.

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