Succeeding with Outsourcing? Time to Reinvest for Success!

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The never-ending recession mentality in recent years has led many U.S. apparel companies to view outsourcing solely as a cost-saving measure. With a hypersensitivity towards profit margins, these companies justify outsourced manufacturing with lower costs and better-looking accounting numbers.

But this cost-cutting craze is at odds with many apparel companies' long-term focus on being or becoming market leaders. While efficiency is important and outsourcing can help to reduce manufacturing costs, these companies can't cut their way to creating the next design trend. Instead, they must look for opportunities to invest in the people and technology that help create higher value products.

This is why apparel companies should never view outsourcing as just a way to save money, but instead as an opportunity to reallocate money in ways that will lead to the creation of more desirable garments. Not only will this ultimately result in a more successful apparel company, but it will also spawn the kind of business that creates more jobs both around the world and here in the U.S.

To keep their outsourcing edge and balance cost cutting with innovation, fashion companies need to continue investing in new manufacturing techniques, find new ways to inspire their designers and invest in global teams and global collaboration tools.

Invest in new manufacturing techniques

One way that U.S. companies can reallocate their substantial savings from outsourced manufacturing is by investing in new manufacturing techniques. Apparel companies often think about innovation as creating the next great design. While this is certainly a valid pursuit, developing new technology for manufacturing techniques can also play a very important role in adding to a product's value.

For example, consider jeans. One factor that has the greatest effect on the value of jeans is the wash. Apparel companies have developed a number of wash techniques over the years. But each year companies still find opportunities to create higher value jeans by developing innovative new techniques that produce a distinct wash finish. If an apparel company that makes jeans is saving a significant amount of money from outsourcing, the company might want to consider investing in new manufacturing techniques for jean washes.

Another great example of how investing in a new manufacturing technique can help an apparel company become a market leader in a field is the story of an apparel company that launched a new invention – the seamless bra. The reason for the product's success was not a drastically new design idea, but instead the development of a superior technology that constructs bras without a single thread. This technology launched an entire new product category for the company, adding to its ability to remain a market leader in the lingerie field.

Whether an apparel company produces new techniques for finishing jeans or constructing bras, investing in new manufacturing techniques can greatly contribute to the success of an apparel product.

Improve ways of getting inspiration

There is no magic formula for finding the inspiration that can lead to an innovative and highly sought-after clothing line. Apparel companies, however, can help lead their designers down the path of inspiration by making sure they are sensitive not only to the trends in their own cultures, but the design tastes of a variety of audiences. By understanding the likes and dislikes of people from different countries, designers are better armed to create clothes that appeal to a wider customer base.

Companies that outsource their manufacturing are not only able to have their designers visit areas where manufacturing facilities are located, but also have the opportunity to reallocate these cost savings to world tours for their designers.

Social media is also a fantastic tool for increasing sensitivity to the design tastes of a global audience. For instance, if a designer puts an idea on Facebook and has a global following, she is able to get feedback from a larger audience than if she just shared the design internally.

Burberry is one example of a fashion house that has heavily invested in social media as a design and customer engagement tool. The company released a video that discusses in depth how social media is helping its design team day in and day out. As the CEO says, "Wherever the customer is, as soon as they say something about the Burberry brand, we should be able to hear it."

Social media feedback is free and can be incredibly valuable in contributing to a designer's next great idea. All that apparel companies have
to do is invest in the tools that help designers effectively engage with their customer base through social channels.

**Invest in global teams and collaboration tools**

With the aim of being the first company to identify the next fashion trend and marrying that trend with a fantastic new clothing line, apparel companies must look for ways to have their teams produce their ideas more effectively and efficiently. One way of doing this is putting in place global design teams in addition to global manufacturing teams, and arming these teams with the technology they need to collaborate seamlessly.

Product lifecycle management (PLM) processes and systems are great investments for facilitating this collaboration. They greatly reduce cycle times by allowing design teams around the world to share and modify their colleagues’ ideas 24/7. If one designer sees the next great idea at a fashion show, she can instantly share this idea via iPad with her entire team.

By providing an efficient platform that allows for continuous collaboration, PLM systems help apparel companies not only react more quickly to changing trends, they help design teams to be so in tune with what's happening around the world that they're actually setting trends.

Market-leading apparel companies are the ones that put in place the people and technology to set new trends and create new market demand. Apparel companies that strive to be market leaders can't afford to think of outsourcing as a way of cutting costs. They must think of these savings as opportunities to invest in global environments armed with the people and technology that help to drive innovation and lead to success.

More Reading

- Apparel Manufacturing Outsourcing: Trends and Opportunities in the US
- Apparel Manufacturing Outsourcing: Product Innovation Opportunities

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