

CREATE NICHE PRODUCTS THROUGH TECHNOLOGICALLY UPGRADED FACILITIES



AVIRAT SONPAL
VICE PRESIDENT
STEVE & BARRY'S UNIVERSITY
SPORTSWEAR

US based Steve & Barry's University Sportswear Company, has grown extensively over the last few years and owns several stores throughout the US in the campuses of some of the most prestigious universities and shopping malls as well. Along with specialising in licensed merchandise, the company has now ventured into the casual wear segment as well and is building it's own brand. In 2001, Steve and Barry's opened its sourcing office in Mumbai to explore Indian options.

Apparel Product Sourcing is a 'Complex Art', that is dependent on various volatile factors such as yarn prices, trade policies, currency fluctuations and quota premiums. Talking from the perspective of an American retail organisation we have several contending forces to deal with on a daily basis in order to source products at competitive prices and maintain consistency in the supply chain.

The elimination of quotas and China's accession to the World Trade Organisation is about to bring dramatic changes to the global sourcing scenario, most affected will be India, Pakistan and Bangladesh in terms of national revenue from apparel and textile exports.

Being born and raised in a family of 'Garmentos' I have seen the Indian Apparel industry go through massive changes in the past ten years and having lived in New York's Garment District I have been able to see both sides of the story to come up with unbiased opinions.

The typical Indian garment exporter has anywhere from 3-10 customers and between Rs.5-15 crore of annual sales

volume. This probably makes up close to 50 per cent of the exporters in the country. The basis for survival for most of these companies has been personal relationships with the foreign buyers and quota holdings in specific marketable categories built on past performance. What is virtually absent in most companies is ERP solutions and CAD/CAM systems for pattern and marker making. Technology has somehow never been the prime focus of most apparel exporters and although many companies have started opening up to the idea the decision for purchase, implementation is something that most people try to put off as much as possible. This attitude can be seen at every level from the office to the factories. A typical example would be to purchase a sewing machine with automatic thread cutting feature but give the garment for traditional Dhaga Cutting, process. What is perceived as a high capital expenditure and not justified due to the low labour costs could in turn have affected productivity and increased delivery lead times compared to other modern factories which are able to give a faster turnaround on goods.

If we need to delve into technology aspects, I can probably write a book but I do not think that it is doing justice to only comment on these aspects.

From the view point of an importer, I have seen price deflation at every level in most product components as well as the end garment price not taking into consideration seasonal fluctuations of raw material prices. This is definitely a trend that can intensify over the next few years as garment factories will lose their Trump Cards for being able to bag an order.

As a country that laid the foundation for the growth of the apparel industry on the legendary 'Madras Plaid', it has come a long way, since then however there are several factors that need to be immediately available on disappearance of the quota regime in order for the industry to thrive. We have a dearth of competitively priced fabric mills that offer hi-tech fabrics, nylons, polyesters, polar fleeces, micro fibers and yarn dyed cottons in high density constructions. Typically most of these fabrics are being imported from China which is

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increasing delivery times, reducing effective controls and to a great degree adding to the price, if freight and customs clearance issues are taken into consideration, unless they are done in high volumes. Apart from labels most trims prices like zippers, snaps, toggles etc. have found to be anywhere from 25-50 per cent higher than if we were to import them. There are also very few organised players in the trims sector and garment factories are typically chasing for deliveries.

The African Growth and Opportunity Act (AGOA) allows us to import several products duty free. Typical duties that range from 18-28 per cent is interesting for a customer because if he is able to train his factory in Africa to make his key 'basic' products round the year at a reasonably low price, it gives the option of moving production for low priced basic items to Africa and developing a long term supply chain and not having to worry about quota and also avail of the duty benefit.

There are other factors that are not helping, like we have a handful of good printing mills that can do complex prints and hassle free deliveries. Garment washing facilities do not have adequate dedicated resources to research and development.

My viewpoint based on all of this is that the majority of the companies that have built successful businesses in India are

based historically on products that were not available in other countries, personal relationships with overseas buyers and quota holdings, factors that will no longer hold ground for them to get a fair chance going ahead in the future. My strategy as an exporter would be to create a niche for products, technologically upgrade and provide value added products compared to basic commodities. Value addition is the only way a mid-sized company can score points by offering a product line at a competitive price at which not many companies offer or for that matter would like to do the effort to produce. What might be seen as a huge investment for a small or mid-sized company might in turn reap huge benefits for the future.

Having sourced products from China, Vietnam, Africa and the Indian sub continent this has been my honest post mortem of what the Industry looks like in India. As a garmenter I know how hard it is for someone who has been in the Industry to move onto another one. The garment business is something that dies hard, but I would like to tell the Indian garment export community that there is a challenge ahead. There is a change coming about. People must open their minds and broaden their horizons. It is time to change strategies and the only Mantra for doing it is to upgrade what you have to offer to get your costs down and add value to the customers table.

Steve & Barry's

Vertical Integration is the Key

AVIRAT SONPAL, VP, INDIA OPERATIONS



In a year of consolidation, Steve & Barry's has expanded its business three fold, both in the number of

stores and sales. Driven by expansion, the company plans to add 100 more stores over the next year with an aim to triple sales further. Correspondingly, the Indian sourcing operations, headquartered in Mumbai, have also experienced a steady growth. To feed the growing demand from India, the company had organised road shows last year in all major sourcing destinations to identify serious vendors.

As the company has shifted considerable business from other countries to India, Avirat Sonpal, VP, India Operations, foresees more business from India. "A lot of business from major American retailers will be focussed on select sized factories, which are vertically integrated, having facilities like

embroidery, knitting, dyeing, etc. in-house, as these factories have better control on their production and are able to give better pricing as well," says Avirat.

In the post quota regime, the India sourcing office sees a lot of movement in categories like sportswear, outerwear and sweaters. Says Avirat, "With the exception of lingerie, I feel India is a good source for most of the said products, though knits will be her biggest strength." The agency sees 10-15% price reduction in the future and Avirat believes small and medium size exporters will survive only when they venture into niche products with more markets and bigger set ups.

Steve & Barry's University Sportswear has a long standing presence, not just in top US universities, but also in high-end shopping malls. The company has diversified from college wear to include popular categories in womens, mens and kid's wear.

'Underselling Competitors': The Ace for Steve & Barry's University Sportswear

With competition snowballing, retailers have started demanding tighter margins. To improve the bottom-line and keeping the interest of the consumers in front, Steve & Barry's University Sportswear is one such company who are providing fashion at the minimal required cost.

Most people tend to have a similar reaction the first time they walk into a Steve & Barry's store: a little shocked, a little surprised. From jeans to wool jackets to running shoes, consumers can purchase anything from as low as \$ 8.98 or less. It is an approach that has led some retail insiders to term it 'Old Navy On Steroids.' But that's just business as usual at Steve & Barry's.

Never before in retail history has any retailer successfully offered their customers a combination of the extremely low prices, the highest quality, private label merchandise, upscale surroundings and the friendliest service. In fact, Steve & Barry's strategy has transformed this former licensed college apparel retailer into a potential major mall apparel player. Shopping at a Steve & Barry's outlet offer shoppers two to ten times less price for the same quality clothing that is purchased at competing department stores. "Our concept appeals to the masses, we draw everyone," said Andy Dicker, Executive VP at NY-based Steve & Barry's University Sportswear.

The 'lowest price' sales was the key focus of the company's management as they were well aware of the fact that consumers have many places to choose to shop from. Neither did the company compromise on the mass appeal products. The philosophy of the conglomerate is not just talk about 'we want business' but also creates viable shopping option for fast moving merchandise.



Entrance of a Steve & Barry's store - the complete shopping experience

Steve & Barry's have a major design and management facility in Bombay, India, and source from about 25 countries in order to find high quality at low cost.

The low price concept that has driven the company to the way of success, has garnered raves from industry analysts, who note that in a sea of specialty retailers, Steve & Barry's is in a league of its own extreme-value apparel. "This store has tremendous opportunity to grow," said Howard Davidowitz, Chairman, Davidowitz & Associates, a retail consulting and investment banking firm with headquarters in New York City. "And it's not another 'me too' store selling Liz Claiborne off-price. Their merchandise can't be found anywhere else."

Andy says his company appeals to value-oriented consumers of all ages, backgrounds and income levels. "Steve & Barry's University Sportswear is America's best clothing store

with stores throughout the country including mall megastores and stores located on prestigious college campuses," says Andy. Steve and Barry's has branched out and carry selection of the highest quality, most popular items of men's, women's and kid's wear at its more than 65 stores in 16 states across the US. Steve & Barry's location has entire departments of jeans, khakis, nylon pants, tear-away pants, sweat pants, footwear, heavyweight hooded sweatshirts, shorts, jackets, T-shirts, baby doll shirts and polo shirts.

Some wax eloquently about what they consider Steve & Barry's distinctive qualities. "This concept is very different from other retailers," noted Davidowitz. "They have got a fashion and marketing edge and a very strong value message." Steve & Barry's has romanced an entire look - though being a specialty store, it has made a unique impression.

Today, Steve & Barry's sits on the cusp of explosive growth, with a just single lease for its first Manhattan location and plans to double the number of stores over the next year. Given the pace at which they are adding new stores, another industry source estimated the company could reach sales of \$ 1 bn in 2006. It is a potential multi-billion dollar company that is depending on its ability to execute 'low-price' concept. The company is focusing on malls and hopes to branch out into lifestyle centres and power

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centres as well. Steve & Barry's is prepared to occupy anchor spaces (units of 100,000 square feet or larger) in malls that traditionally pay discounted rents because they draw customers to the shopping centre. Their stores are clustered far from the astronomical rents of the New York metropolitan area.

The chain broadened its appeal by expanding into non-licensed casual apparel, mainly for men; later it added women's and children's apparel too. Presently 80% of the retailer's sales come from non-licensed merchandise jeans, sweaters, jackets, pajamas, footwear and accessories. But it continues to carry the hip university-logo sportswear it was first known for. All the merchandise is private label.



AVIRAT SONPAL
Steve & Barry's

Born and raised in a family of 'Garmentos', Avirat holds the dual responsibility of being MD, 4004 Inc. India and VP Steve & Barry's. Through 4004 Inc., the Global Sourcing office of Steve & Barry's, the company has a long standing presence, not just in top US universities, but also in high-end shopping malls through diversified products from college wear to popular categories in womens, mens and kid's wear.

"Vendors Must Invest in IT Systems, Consultants and Joint Ventures for Greater Efficiency" - Avirat Sonpal, Steve & Barry's

Though India is on a growth path, with every player in the industry moving forward to add value, there are certain areas that need special attention to gain long term benefits. Cost-efficiency is one of the prime areas of concern for price sensitive buyers like Steve & Barry's which is increasing business steadily from the country. Investment in IT systems, automated equipment, joint ventures, understanding with trim suppliers and technical support from consultants are suggested methods to keep the industry tackle the situation professionally.

2005 has definitely been a breakthrough year for us both in terms of growing the number of Retail Stores we own and operate in the US- which will be close to over 100 by the end of the year- and also the amount of sourcing we have done from India. September 2005 marked our 4th year in the country and our employee strength has gone from 300 to 500. When we established our office here in 2001, the total buying from the country constituted about 5% of our overall purchases, which is now close to 40%.

The 'mantra' for going ahead has to be relationships and joint ventures. As margins diminish and distribution channels reduce, retailers prefer working directly with manufacturers in a totally transparent business environment. Exporters need to partner with retailers in order for both of them to grow.

Both parties have to be responsible for the overall performance of a particular product category to succeed with the consumer. The retailer is the front end, providing branding, better shopping

- The focus going ahead will be purely on the following aspects:**
- Identifying vertically integrated and socially compliant factories that have better control over their production.
 - Solidifying partnerships between fabric mills and factories in case of woven apparel and outerwear.
 - Structuring joint ventures and MOU's with factories for annual production.
 - Increasing dependence on a smaller supplier base that enhances their capacities every season to match our requirements.

experience, better planning and forecasting methods to understand product potential. The factory needs to invest in better production technology and QA systems, product development, strengthening and improving productivity to give best prices and processes so retailers can be supported with a better read and react mechanism.

As far as India's success goes, I think the next five years will be better than what the country will have seen historically, with regard to growth. I do foresee a dramatic change in the way companies operate. Smaller factories /exporters will have to

merge with bigger ones or create either marketing or production joint venture partnerships. There is an abundance of good suppliers; however, customers are becoming cautious about whom they want to work with. To survive, smaller exporters will have to develop tremendous value-adding capabilities like a special process expertise, or offering of a better design service to a smaller customer that can't invest in the same. I also see a lot of potential for smaller exporters merging with the importers and being their presence in the country to source products from better and more capable factories.

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There are several areas where exporters can reduce their pricing and keep costs down. I think some of them are as basic as investing in systems and automated equipment that can increase productivity. I believe that a lot of exporters are wasting a lot of time and effort in penny pinching and working with new fabric suppliers and trim suppliers.

Each exporter must start gearing up either jointly with their customers where suppliers are nominated, or by themselves to structure some kind of annual commitments based on their projected needs to fabric mills and trim manufacturers. We have seen that trim costs can make a huge difference to the ultimate FOB on a garment.

If there is an understanding between the trim manufacturer, exporter and the buyer about annual volume, the manufacturer can work on the same and improve his efficiency and productivity and not look at it as a one time deal and endeavour to reduce costs so as to benefit the consumer at the very end.

Many exporters are overstaffed due to lack of foresight in being able to invest in IT systems that will be a one time investment, but, over a period of years, will reduce overheads.

Given that there is an ongoing effort both by companies and the government in supporting them, I think the country has a tremendous advantage over

most others to become the most favoured destination for apparel production. The biggest disadvantage that the country has on woven products is its lead time, which tends to be much lower. In knits, there needs to be more development of polyester based warp-knit fabrics. Investment in technology is the key. There should also be investments in domestic production of nylons, polynosics, polar fleeces and various other fabrics for which we are still reliant, to a large extent, on China.

Exporters also need to open up to the idea of investing in the services of consultants. They could also look at technology tie ups and common marketing tie ups with factories in other countries to increase competitive advantage, as there can be a shared pool of customers that will have a variety of products and production centres with common technical skills to choose from.

There is a scarcity of consultants in the apparel business in India. Most business owners have their own way of doing things. Every exporter manages his or her business a different way. I think consultants act as a great outside force and are able to take an objective view about a business. Production, quality control, marketing, systems, financial management, etc., are a few areas where consultants can go a long way in increasing productivity and efficiency while reducing costs.

As far as technology tie-ups go, these apply to almost all areas from machinery to software to production systems. If factories make commitments to their suppliers of all these factors and become ambassadors for suppliers of technology, not only will their cost on recurring maintenance and purchasing reduce, but it will actually create a marketing channel for technology providers and in turn reduce their costs by increased sales. There has to be a structured way of going about this route, without which it will not be possible.

CONFEDERATION OF INDIAN APPAREL EXPORTERS

90, MIDC, 7th Street, Andheri East, Mumbai – 93 (India) Tel – 28250703 / 56295977

Fax –56925395 Website –: <http://www.ciae.org> Email –: info@ciae.org

“Quote”

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US apparel retail chain Steve & Barry's eyeing Indian market

America's fastest-growing apparel retail chain Steve & Barry's University Sportswear is contemplating entry into the Indian market. Plans for the foray are, however, still on the drawing-board stage and details are likely to be finalised only by the middle of this year.

For Steve & Barry's which started operations in 1985, this foray, if it happens, will be its first overseas foray.

The US apparel retail major will enter into a joint venture with its affiliate company, 4004 Incorporated India, in which it holds a majority stake.

4004 Incorporated India is the sole procurement and retail solutions provider to Steve & Barry's with operations in India, China, Pakistan and Jordan.

Presently Steve & Barry's, which sells low-priced apparels like T-shirts, jackets and personal accessories, has 128 stores with a sales of 100 million units per annum across the US with plans to ramp up the store network to 226 by end-2006.

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"Given the high-quality of Steve & Barry's products coupled with its low-pricing (the maximum price of a S&B product is USD 9.98), we should have no difficulty in penetrating the Indian market," he asserted.

Steve & Barry's which caters to a customer segment ranging from children to 80-year-olds will be eyeing the same segment in India as well, Mr Sonpal revealed, adding that "it is the budget customer who comprises our largest segment." 4004 Incorporated India which is the sole global procurer for Steve & Barry's, presently supplies 35 per cent of the American major's requirements from India -- mostly knits, accessories and other usables such as furniture and flooring materials, light-fittings, hangers and cleaning equipment.

"More than 50 per cent of their procurement is done from Tiruppur, Coimbatore and Bangalore in the south," .

Procuring through 4004 Incorporated ensures a savings of nearly 70 per cent for Steve & Barry's and the same will be effectively leveraged in India as well, he added.

4004 Incorporated, which has grown phenomenally since its inception in 2001, has evolved from a virtual one-man operation to a 500-strong entity in just four-and-a-half years.

“Unquote”

CIAe News Room

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BUSINESS NEWS

Steve & Barry to enter Indian market

MUMBAI: PRESENTLY Steve & Barry's, which sells low-priced apparels like T-shirts, jackets and personal accessories, has 128 stores with a sales of 100 million units per annum across the US with plans to ramp up the store network to 226 by end-2006. Sonpal said the retail explosion in India coupled with other favourable factors such as a growing middle-class and a large segment of population with a surplus, disposable income with a penchant for spending on clothing and personal accessories are the main influencing factors for this proposed foray.

(Agencies)

aturday,
ebruary 25, 2006

BUSINESS EXPRESS

US apparel chain eyeing Indian market

Mumbai, Feb 24: America's fastest-growing apparel retail chain Steve & Barry's university sportswear is contemplating entry into the Indian market.

Plans for the foray are, however, still on the drawing-board stage and details are likely to be finalised only by the middle of this year. For Steve & Barry's which started operations in 1985, this will be its first overseas foray.

The US apparel retail major will enter into a joint venture with its affiliate company, 4004 Incorporated India, in which it holds a majority stake, whenever the decision to enter the Indian market is taken, disclosed Steve & Barry's vice president and 4004 Incorporated India managing director Avi Sonpal.

4004 Incorporated India is the sole procurement and retail solutions provider to Steve & Barry's with operations in India, China, Pakistan and Jordan.

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"However, besides the expressed intent to enter the Indian market, the strategic planning underlying this move is still in the very preliminary stages," he said, adding that "the financials will be disclosed after deciding on the proposed foray." Steve & Barry's, which caters to a customer segment ranging from children to 80-year-olds, will be eyeing the same segment in India as well, Sonpal revealed, adding that "it is the budget customer who comprises our largest segment."

4004 Incorporated India which is the sole global procurer for Steve & Barry's, presently supplies 35 percent of the American major's requirements from India—mostly knits, accessories and other usables such as furniture and flooring materials, light-fittings, hangers and cleaning equipment. "More than 50 percent of our procurement is done from Tirupur, Coimbatore and Bangalore," he said.

Other buying centres are China, Sri Lanka, the Middle-East and Africa. "We have deliberately put in place a distributed procurement base as it reduces the risk of dependence on only one country for our requirements. Besides, it also ensures enhanced cost-effectiveness," Sonpal said. •UNI

25 Feb 2006

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Steve and Barry's eyes India

With the government allowing 51% foreign direct investment in single brand retail, US-based retailer Steve and Barry's is exploring the possibility of setting up shop in India soon. "With 51% FDI being approved on single brand retail, we are definitely doing our research and various market studies to evaluate when and where we can set up a store in India," said Avirat Sonpal, managing director of 4004 Incorporated.

Steve and Barry's mulls setting up shop in India

Mumbai, Feb 26

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"With 51% FDI being approved on single brand retail, we are definitely doing our research and various market studies to evaluate when and where we can set up a store in India," 4004 Incorporated managing director Avirat Sonpal told PTI.

4004 Incorporated India is a global creative procurement hub and strategic affiliate of Steve and Barry's university sportswear.

As of now no concrete plan has been set, however, it is definitely on the cards for the coming year, he added. *PTI*

HT BUSINESS

Mumbai, Monday, February 27, 2006

US retailer mulls foray

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BUSINESS TIMES

The Times of India, Bangalore, Monday, February 27, 2006

Steve and Barry's plan to enter India: With the government allowing 51% FDI in single brand retail, US-based

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SINGLE RETAIL SUPPLIES ARE HITTING BIG TIME

A garment-making factory, just for me



M Allirajan
COIMBATORE

prove productivity by 30-40%," explains Mr Avirat Sonpal, MD of 4004 Incorporated India, the strategic affiliate of US sports retailer Steve and Barry's University Sportswear. According to industry players, a few major retailers are now in the process of entering into memoranda of understanding (MoU) with exporters for ensuring steady supply of garments.

4004 Incorporated India is inking such MoUs with a few knitwear exporters in Tirupur. As per the agreement, the exporter would have to dedicate an entire factory and production facilities exclusively for making garments for the retailer over a specified period. In return, retailers assure continuous supply for the period. Industry players affirm that more retailers would take to this new model in the coming days.

"The trend started after the phasing out of quotas. Now, it is increasingly becoming common. The relationship helps us plan production in a better manner, which is crucial at a time when margins are extremely thin," states Mr Anuj Goenka, director of Texport Syndicate, a leading garment exporter.

Texport, which has a production capacity of 1.5 million pieces per month, has placed a few of its factories exclusively for clients such as Wal-Mart, Steve and Barry's and Target. Typically, the "vendor relationship" is for a 1-3 year period.

► Better return on investment seen: P3

Better return on investments seen

M Allirajan
COIMBATORE

Opinions are coming in thick and fast about the new trend of supply-conscious global retailers and margin-hit exporters joining hands to usher in single retail supplies. "The arrangement is mutually beneficial. While there is a good reduction in production costs for the retailer due to high volumes, exporters can save on expenses needed to market their products," Mr Sonpal points out.

"Export business has a lot of seasonality attached to it and once exporters enter into a partnership with us, we assure good orders throughout the year," he adds. "The long term commitment and guaranteed orders ensure better return on investments. We would also be able to

secure loans from banks easily based on the order position," points out Mr Anand Kumarasamy, MD of Wagon Wheel Knitworks, an export house, which is planning to sign a MoU shortly.

On an average, exporters are willing to commit up to 50% of their production under this new partnership mode. For instance, 4004 Incorporated, a global procurement hub for Steve and Barry's, which increased its sourcing out of Tirupur from 7 lakh pieces last year to 1 million pieces per month, hopes to bring about 4 lakh pieces under the MoU route. While the volumes are quite high, the average realisation per garment is low.

But, exporters say they will be able to achieve better profitability because of quicker turnaround and cost reduction.

Steve & Barry' University Sportswear

Low Cost, Still Low Cost

--As each Good-Brand seller knows the key of low price is obviously low costing. Each of them wants to achieve the target but there is few of companies who can simply it depending on smooth supply chain as Steve& Barry's can.

The Background of the Case

Steve and Barry, one pair of pal in the childhood opened a small store selling college-style garments in Pennsylvania University. People can get the same quality of garment sold in other big stores getting much lower price. The public praise for lower price with good quality is widely spread quickly. These students introduced this store to their friends and parents. Due to the success made in university they expanded Steve & Barry' stores in university of USA. In 1998 Steve & Barry's set up the first shopping centre in Detroit and started to provide casual wear to consumer with their own brand. There are students and their family members from 15 to 40 years-old among all consumers. Many of them drive their cars to Steve & Barry's stores to buy goods when they realize the price is really attractive in Steve & Barry'. So far Steve& Barry's have had over 130 stores in USA and millions of loyal customers. Steve & Barry' is becoming a well-know name and retail brand. International Council of Shopping Centers selected the top bestseller retail cooperation in 2005 and Steve & Barry' was one of five winners. This reward is to encourage the retail companies who always provide creative products and good services.

The Experience of Success

Right Time Right products and Right prices provided.

When you enter Steve & Barry' retail chain stores you will find hundreds of products including T-shirt, kinds of Jackets, Shirt, Bags, Downs & Coats etc. The key is you will never find one piece more than 10 dollars in these stores. In 2004 the number of Steve& Barry' stores were increased to 65 stores which was 2 times than the last year and in 2005 another 70 chain stores were set up. The whole area of Steve & Barry' is around 60,000 Square Feet now. In 2005, Steve and Barry, two leaders of this company indicated that

turn-over was close to 700 millions dollars and the profit was 50 millions dollars before tax.

Steve & Barry', who attracts customers with low prices, is getting more and more attention from investigators for retail industry and from competitors including large-scale discount stores and shopping mall. The Senior Vice President Ms Lois Huff from the Market Research Company, Retail Forward, expressed that "Limit Retail" adopted by Steve & Barry' was leading the trend of retail industry. Target & Old Navy have the same strategy as Steve & Barry' which is low pricing with high quality. But Steve& Barry's "Limit Retail" already reached better level which composes of two points—the strategy of relative promotions & the operation of "Tariff Project".

At the time of only having first stores of Steve & Barry' Steve Shore and Barry Prevor were manufacturing T-Shirt in their own basement. With the expansion of the business they start to make use of their knowledge of the Tariff System in USA to research the duties from different countries, which is the job of Tariff Engineer. For example, the duty for one imported nylon jacket is 32% but it is only 7% if you use waterproof coating fabric on the same. Once Steve & Barry' costing is decreased the customers get better products. Until now these 2 CEOs are still good at this research. Meanwhile Lois Huff proposed the alarm that the cost control would be very difficult with the expansion of scale of company. It would be most difficult when the number of stores reach 200 to 300.

The Establishment of Global Sourcing Centre

What is the method of cost control by Steve& Barry'? The vendor week for fall'06 held in India from 24th to 25th Jan this year could be a good reference for the answer. Steve & Barry' established 4004 Incorporated in India in 2001 as the global sourcing centre and their Strategic basement. Considering this company is located nearby most of garment-manufacturer basements Mumbai was selected to hold this Vendor Week. The General Manager of 4004 Incorporated Mr. Avirat Sonpal indicated that we held Vendor Week every season as we think much of the good relationship with vendors. This vendor week was held very successfully as the vendors from more countries attended this

Vendor Week to share more quantities with the development of Steve & Barry'. They were from Jordan, Kenya, Egypt, Eastern Africa, Central America & Bengal.

The Management System of Supply Chain

The management system of supply chain designed by 4004 provides all suppliers for Supplier Profile From. After accessing into the system the supplier can fill in and update products range and capacity. Vendors of different level would be categorized and then the data collected by SPF can help 4004 Incorporated to choose different suppliers in the period of bulk production. With the fast development of Steve & Barry' 4004 Incorporated experienced fast growth which contains the promotion of sourcing capacity and human resources. As the support offices around the world collectively give support of the sourcing and flow of management for supply chain of 4004 Incorporated their sourcing ability is rising by 60% to 90% every year. Due to this speed of growth the combination of products become more complicated.

Logistic Management

The basic procedure of Steve Barry's Logistic Management is as below,

- S&B Logistic management team makes up one complete internal procedure and policy to regulate the criterion during the shipment and after shipment.
- Make up the plan of transportation and loading
- Coordinate with third party to take charge of shipping and organize goods to distribution center.
- Follow up the order
- Check necessary documents with vendors
- Procedure for applying to customs
- Prepare for MIS Report
- Check the delivery, documents and other criterions of S&B

Since there are hundreds of suppliers of Steve & Barry' coming from different countries as India, China, Pakistan, South Africa & Sri Lanka one set of new sourcing procedure is starting to be used from 2006. The procedure includes the clause of loading, compensation, the obligation of delay, the regulation before shipment, the regulation of

packing, the regulation of carton label, necessary documents & the obligation after shipment. These clauses certainly assure that the suppliers have a long-termed cooperation with Steve & Barry', and they make the relation between USA & India office closer. Even the high-rank managers can command of the information of sourcing as well.

The Stat. of problems from suppliers in 2005 demonstrates that the most serious problem is the delay of delivery and the second one is the discrepancy of documents. Of course there are some other problems like inaccuracy of quantity and mistake on packing & carton. These problems caused a loss of Steve & Barry' sourcing. The reputation of supplier influences the preferential consideration from S&B in the period of future sourcing.

The development of suppliers & Sourcing

“Our target is to provide perfect goods for our stores in USA. We need to exceed our competitors in the aspect of quality, price & service in order to ensure the smooth running of our supply chain”

At this time customers concern about quality much and pay attention to price as well. Steve& Barry' is providing these products combining the quality with price so it is a great challenge for sourcing. The president of Steve& Barry' said the only secret of their success was low cost.

With the fast growth of the company Steve& Barry' is planning to expand their retail stores to 200 by 2006. So 4004 Incorporate selected 200 candidates from 7000 resumes to get 60 vacant positions. Two CEOs in USA expressed their expectation of conversion from family enterprise to global retail company. They employed some excellent graduated students from Ivy University as administrator. They are very confident of the development in USA.



4004 Incorporated India, the global creative procurement company and strategic affiliate of the American retail chain, Steve and Barry's University sportswear, recently hosted Vendor Week – Fall'06, arguably the largest gathering of apparel and garment trade vendors' from January 23-25, 2006 in Mumbai. The event saw a substantial commercial turnover with enquiries blooming into fruitful long term business transactions.

Vendor Week

Reinforces India's Dominance in Global Procurement

4 004 Incorporated, buys its product portfolio from India, Bangladesh, Sri Lanka, the African continent and Pakistan to name a few. Incepted in 2004, Vendor Week is a unique platform for manufacturers of Steve & Barry's garments to meet and interact with the company Management first hand and to improve and strengthen relations with the manufacturing community. Vendor Week gives 4004 Incorporated an opportunity to reveal its line to the vendors, and to explore possible business opportunities based on the line. This also serves as a forum for to get an insight into the company structure & procedures and finalise deals.

The Vendor Week 2006 showcased a host of new designs and patterns for the season to top notch vendors from countries like India, China, Pakistan, South Africa, Sri Lanka, Bangladesh & others mammoth garment manufacturing countries. The event attracted a total of 150 visitors from 20 countries, of which 70 per cent came from overseas. The issues deliberated during the event included apparel sourcing, quality assurance standards, product development initiatives and trends in logistics.

Describing the company's role in leading India as a major global procurement hub Avirat Sonpal, managing director, 4004 Incorporated India said to *IMAGES Retail*: "4004 Incorporated is responsible for the complete procurement of Steve and Barry's sellable & non sell-able products from India and across the globe. The company not only sources garments for S&B worldwide, but also performs a range of other functions like merchandising, quality assurance, logistics compliance, social compliance and retail planning."

Commenting on the event he said, "In terms of expanding our vendor base, the prime goal of 4004 Incorporated is to expand procurement and target geographies like Jordan, Kenya, Egypt and other East African countries, Central America and Bangladesh and partner with the best vendors from these locations"

4004 Incorporated India is a global creative procurement hub and strategic affiliate of America's fastest growing retail chain, Steve and Barry's University Sportswear. The latter was recently presented the popular 2005 'Hot Retailer' award by the International Council of Shopping Centers (ICSC) in the United States.

'Nice to know what a b'day is like'

Underprivileged children celebrate their birthday, some for the first time

Radhika Dwivedi

Cuffe Parade

It was more than just a mass birthday party. Around 150 underprivileged and street children belonging to NGOs Hamara and Aarambh celebrated their birthday, many of them for the first time. For some, it was a break from their daily work, while for others it was an eye-opener that they had a birthday too.

Global procurement company 4004 Incorporated organised 'Project Reach', a fun-filled event for the kids, on Wednesday at the World Trade Center.

The children, all between six and 18 years, danced enthusiastically along, played games, admired the juggler's skills, and the magician's tricks.

"I liked coming here because we could forget our problems at home and enjoy ourselves. I made new friends and danced," said 18-year-old Sandhya Pardesi, of Hamara.

For some it was just a good day to



Children enjoy a fun-filled afternoon with Project Reach – Kamlesh Pednekar/DNA

escape work, like 11-year-old Shahid Sayyed who sells water bottles at Mumbai Central station.

"This is something I'll always remember," he said. "My mother says we don't celebrate birthdays, so it was nice to know what a birthday celebration is like," said a smiling Sayad Saleman of NGO Hamara.

"Most children here have never celebrated their birthdays. We thought this would be a nice way to make them happy. It is our way of giving back to the community.

"We hope that April 5 will always be their birthday," said Khyati Bhide, marketing manager of 4004 Incorporated.

Vendor Week Fall 06' Exhibition Held in Mumbai, India

At the beginning of a new year the Vendor Week Fall 06' that hundreds of companies in Textile Industry from 25 countries gathering in was held in Mumbai, India between 22nd to 25th Jan. 2006. In this exhibition the attendants from different countries displayed their garments for next season in order to get more commercial chances. The products displayed in this exhibition covered Denim, Pant, short, Shirt, T-shirt, strap, caps and shoes. There were about 150 garment manufacturers from 25 countries attending this exhibition. As per the Stat. by the host only 8% of them were from China even through they are very interested in the garment quality and price from China. The host expected that they could promote the communication on Textile Garment products between different countries and enhance the commercial opportunity between buyers and sellers through this Vendor Week.

US retail chain Steve & Barry's in revamp mode

L.N. Revathy

Coimbatore , May 30

America's fastest growing retail chain Steve & Barry's University Sportswear is on a revamp mode. "It would soon turn out to be a 'complete' departmental store," Mr Avirat Sonpal, Managing Director, 4004 Incorporated (a subsidiary and strategic affiliate of Steve & Barry's) told *Business Line*.

The Mumbai-based 4004 Incorporated incidentally is the sole global procurement hub for Steve and Barry's, both for saleable and non-saleable items.

The non-saleable items include tubes, stapler, paper and so on for own consumption.

"We have parameters within which we operate, but overall, it has been a very comfortable service. Since September 2001, we have been doing the procurement service for Steve & Barry's, picking the things at the right price, negotiating with the suppliers, doing lab checks and so on.

About 450 people are engaged in this work. They include research groups as well. We buy their requirement from footwear, clothing, printer, toner, cartridge etc.," he explained.

To a query on procurement, Mr Sonpal said the company sourced about 25 per cent of its requirement from India, of which over 50 per cent was bought from the South.

"Tirupur, Bangalore, Delhi, Ludhiana and Mumbai are the main procurement hubs. We have established at least four trade relationships in Tirupur. The identified units produce solely for Steve & Barry's. We also work with 10 large exporter houses in India to source about 20 million units every month (India alone). Procurement from China is next only to India and Pakistan (20 per cent) at around 16 per cent. We also source from Kenya and the UAE."

While it looks to India for garment and knitwear items, footwear is sourced from China and the coarser and heavier fabrics from Pakistan.

"We enter into a joint venture agreement or a buy-back arrangement with the vendors. We have set up regional offices in several countries. Our global network is well connected," he added.

4004 Incorporated Draws Up Ambitious Plans to Become a Multinational Procurement Major – Plans to Add 8 More Categories to Its Profile Over the Next 2 Years

4004 Incorporated, a global procurement hub and strategic affiliate of America's fastest growing retail chain, Steve and Barry's University Sportswear, has drawn up ambitious growth plans. The company currently procures from 25 countries around the world, and is set to increase this base by 30% by December 2006. Since its inception in 2001, the company has been responsible for the sourcing and buying of all Steve & Barry's sellable and non-sellable merchandise. The latter was recently presented the popular 2005 'Hot Retailer' award by the International Council of Shopping Centers (ICSC) in the United States.

The current procurement portfolio of **4004 Incorporated** includes knits and woven apparel, for clothing like jeans, jackets, cargos, shorts, T-shirts, sweat-shirts, sweaters and shirts. In addition to these, the company is also responsible for sourcing footwear and accessories like bags, scarves and belts, etc.



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In 2006, **4004 incorporated** showed a substantial number of additions in their procurement portfolio moving from apparel into footwear and other accessories. Over the next 2 years, the global procurement hub for one of the leading brands in the US, plans to add eight (8) new categories to its procurement portfolio – **Lingerie** - Basics (thongs, bottoms, brassieres); **Cold Weather Accessories** - sets of winter caps, scarves, mufflers, gloves, etc.; **Lifestyle**

Products- perfumed candles, aroma oils, fragrances; **Electronic Gadgets;** **Decorative Products** - Photo frames, figurines; **Cosmetics;** **Watches and Sunglasses.**

By announcing plans to diversify its portfolio in the next 2 years, 4004 Incorporated aims to become a one-stop-shop for all needs of the Steve & Barry's consumers and consumables of the Stores like light fittings, stationery, cleaning equipment, hangers, display racks and other furniture and fixtures for the stores.

Avi Sonpal, MD of **4004 Incorporated** says, "Though we had a humble beginning, the right business approach towards building solid vendor partnerships coupled with the finest talent has helped us a name to reckon with in the global procurement space. We have plans of adding 6 regional offices in Asia and Africa over the course of the next 6 months and are determined to become the best procurement company in the world in terms of supply chain systems, vendor relationships and product price and quality.

Product items that Steve & Barry's are interested to source from India



SOURCE CODE: Global retail brands have designs on India

dia and China. Target currently has 40 global sourcing offices. GAP sources garments worth \$1.2bn from the Indian sub-continent of which India accounts for 50%.

These retail chains are now setting up their own liaison offices, rather than opting for third-party buyers. American retail chain Steve & Barry's University Sportswear has made India its procurement hub since '01 through its affiliate company 4004 Incorporated. Avi Sonpal, MD, 4004 said, "We supply about 20m units annually to the company, and are able to cut costs by 40-60%." Thirty per cent of Steve & Barry's merchandise comes from India and 4004 manages the entire back-end operations including setting up of stores. "We have a team which looks specifically at the tariffs in different countries and procure accordingly. A number of start-up companies are looking at making countries like India their procurement base as it is much more cost effective," he said.

Other brands are also increasing their India operations. Mast Industries, which procures for the \$2bn Limited Brands which includes Victoria's Secret, The Limited, Express and Bath & Body Works among others, does \$40m worth of business from India. It is looking to double its business in the next year. French Connection, UK (FCUK) is also sourcing \$30m worth of apparel from India, which accounts for 35% of its business. A number of these retail chains are already eyeing the Indian market, and once they are allowed it would help them to further increase their sourcing from India. India's current share in exports is just about 4%, with \$16bn worth of exports.



Deepa Krishnan and Shuchi Vyas
MUMBAI

INTERNATIONAL retail brands like Wal-Mart, GAP, JC Penney and Target have doubled their sourcing operations from India. Since quotas were dismantled early last year, new entrants like Steve & Barry's are cashing in on the cost advantage and setting up their entire operations in India.

Put together, Wal-Mart, JC Penney, GAP and Target account for 50% of the apparel outsourced from India in '05. While Target, the US-based value

retail chain is looking to triple its business from India to \$300m from \$120m in '03, GAP is looking to touch about \$650m, from \$500m last year. Wal-Mart already outsources over \$1bn worth of supplies from India.

These companies are now rationalising their vendor bases and limiting their sourcing from fewer countries like India and China. India is specialising in value-added products unlike China which produces larger volumes.

"There is definitely a shift towards these two countries. Right now, com-

panies would still be in the process of shortlisting potential suppliers. By '07-08, the sector could see economies of scale," said Subramanian Ganapathy, director, TNS India.

According to an official from Target, about 65% of its business comes from the home furnishing segment. They have reduced their vendor base by almost 70% and are also looking to do more business out of In-



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Global retail brands have designs on India

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Source: The Economic Times



India favorite procurement base

Thursday, June 15, 2006

MUMBAI: The dismantling of quotas early last year has found International brands like Wal-Mart, GAP, JC Penney and Target have doubled their sourcing operations in India and has opened the gates for new entrants like Steve & Barry's to appreciate the cost advantage and set up their entire operations in India.

Wal-Mart, JC Penney, GAP and Target together accounted for 50 percent of the apparel outsourced from India last year. The US-based value retail chain, Target, is hopeful of tripling its business from \$120 million in 2003 to \$300 million. Gap recorded \$500 million last year and is anticipating touching \$650 million this year. Wal-Mart has a supply-outsourcing of about \$1 billion from India.

These companies are downsizing their vendor bases and limiting their outsourcing from fewer countries like India and China, with India specializing in value-added services unlike China which produces larger volume-production. Subramanian Ganapathy, director TNS India said, "There is definitely a shift towards these two countries. Right now, companies would still be in the process of shortlisting potential suppliers. By '07-08, the sector could see economies of scale."

Target, which has reduced its vendor base by almost 70 percent, is looking to do more business out of India and China. With 40 global sourcing offices, about 65 percent of its business comes from the home-furnishing segment. GAP has a garment-sourcing worth \$1.2 billion in the Indian sub-continent with India contributing for 50 percent of the accounts.

With these retail chains opting out of third-party buyers and setting up their own liaison offices, Avi Sonpal, MD, 4004 Incorporated, the affiliate company of Steve & Barry said, "We supply about 20m units annually to the company, and are able to cut costs by 40-60%." 4004 manages 30 percent of Steve & Barry's merchandise coming from India, managing the entire back-end operations, including setting up of stores.

Mast Industries which has a \$40 million worth business plans to double it next year. French Connection, UK (FCUK) also sources \$30 million worth apparel from India, accounting for 35 percent of its business. India's current share in exports is about 4 percent with \$16 billion worth of exports.

28 June 2006

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4004 Incorporated India draws up ambitious growth plans

Bureau

4004 Incorporated India, a global procurement hub and strategic affiliate of America's fastest growing retail chain, Steve and Barry's University Sportswear, has drawn up ambitious growth plans. The company currently procures from 25 countries around the world, and is set to increase this base by 30% by December 2006.

Since its inception in 2001, the company has been responsible for the sourcing and buying of all Steve & Barry's sellable and non-sellable merchandise. The latter was recently presented the popular 2005 'Hot Retailer' award by the International Council of Shopping Centers (ICSC) in the United States.

The current procurement portfolio of 4004 Incorporated includes knits and woven apparel, for clothing like jeans, jackets, cargos, shorts, t-shirts, sweat-shirts etc. In addition to these, the company is also responsible for sourcing footwear & accessories like bags, scarves and belts etc 4004 Incorporated procures approximately 20 million units from India annually.

They procure close to 30% of their requirements from India, of which 50% is from southern India which comprises of Tirupur and Bangalore. The other cities are Mumbai, Delhi and Ludhiana. In the last year, 4004 Inc has seen 25% growth in their buying capacities in apparel and non-apparel categories.

4004 Incorporated India currently has international offices in Pakistan, China, Jordan and the company plans to open around 8 more offices by end of year. In 2006, 4004 incorporated showed a substantial number of additions in their procurement portfolio moving from apparel into footwear and other accessories.

Over the next 2 years, the global procurement hub plans to add eight (8) new categories to its procurement portfolio.

- Lingerie
- Cold Weather Accessories
- Lifestyle Products

- Electronic Gadgets
- Decorative Products
- Cosmetics
- Watches
- Sunglasses

Starting off with procurement of sportswear and select apparel, 4004 Incorporated has over the years made steady progress by diversifying into sourcing and procurement of casuals, kids wear, accessories, and non-sellable items for their affiliate Steve and Barry's.

Avi Sonpal, MD of 4004 Incorporated says, "Though we started with humble beginnings, the right business approach towards acquiring quality vendors coupled with best-in-class people has helped us become a name to reckon with in the global procurement space. We are well poised to become a true multinational procurement major in a couple of years from now with our global manpower strength exceeding 600."

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In Conversation

www.apparelreview.com

JUNE - JULY, 2006

"Organised retail is expanding, there is increased scope of reaching out to the consumer"

Rajat Jain, MD, Walt Disney Company (India)

Indian retail enters most exciting phase

Franchising, seizing the moment!

Cotton
by Century



intex

international apparel
FABRICS & ACCESSORIES
trade fair • India



4004 Incorporated India to add 7 new international offices

A global procurement hub and strategic affiliate of America's fastest growing retail chain, Steve and Barry's University



Sportswear, has drawn up ambitious growth plans. The company currently procures from 25 countries around the world, and is set to increase this base by 30% by December 2006. Since its inception in 2001, the company has been responsible for the sourcing and buying of all Steve & Barry's sellable and non-sellable merchandise. The latter was recently presented the popular 2005 'Hot Retailer' award by the International Council of Shopping Centers (ICSC) in the United States.

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AVIRAT SONPAL
Managing Director, 4004 Inc.

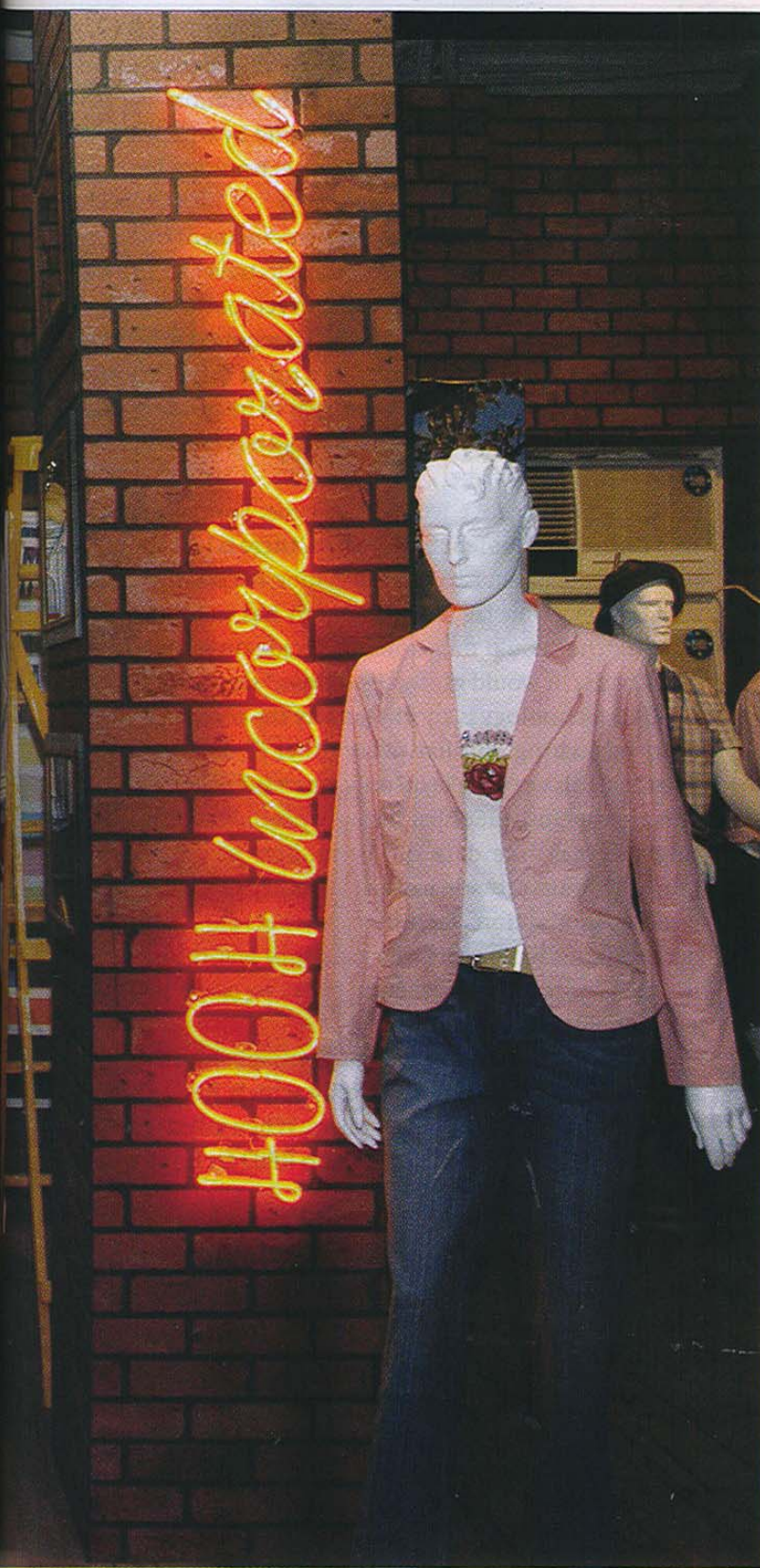
Dress rehearsal

In a bid to match pace with the growing sourcing needs of its US-based retail parent Steve and Barry's, 4004 Inc has few interesting supply chain innovations up its sleeve. BY ADITYA KELEKAR



The technology rush in the thick of the retail boom appears quite riveting for the apparel retail industry. The emergence of innovative modules within IT solutions like tariff engineering makes this synergy truly avant-garde.

Pioneering it in a small yet significant way is Mumbai-based 4004 Inc., a global procurement affiliate of Steve and Barry's, an apparel retail chain that runs a network of over 130 casual and collegiate apparel stores in the US.



Headquartered in Mumbai, 4004 Inc. orchestrates the entire supply chain management circuit: from conceiving a design, creating a technical specification, getting an online product, issuing a purchase order, quality testing, inspection to the final delivery.

Strutting their stuff

One of the recent innovations that proved critical to the way 4004 Inc. conducts business is the module on

tariff engineering. It is a strategic planning module that gathers in-depth information on Free Trade Agreements (FTAs) and quotas subjective to different countries. The module developed by Supply Chain Management Solutions (SCMS) team of 4004 further compares a particular apparel component's cost from a particular country to a component from another country.

The process is interesting: When the company checks on the price of a particular product from a particular area, it looks up for relevant information on the pricing of the same product from other areas, which could be completely dissimilar owing to varying freight rates and duties across sourcing nations. This is quite an effective replacement to physically evaluating the price differences.

"If we have one bid from Jordan and another from India, we get to do an apple to apple comparison," says Avirat Sonpal, Managing Director, 4004 Inc.

On similar lines, the company is also working on a cost-based module that would bring in more efficiency to its purchase transactions. Typically, there are about 20 components that go into the making of a shirt produced by the company.

The cost-based module would check the viability of a manufacturing process. The manufacturers are further required to key in their component cost and an average cost of the product is automatically generated based on the specific criteria each department feeds.

Typical input here would be information from a fabric technician, who would key in the fabric costs and the quantity of fabric required. Other inputs include data from a garment technician, who would put in the number of man-hours spent on his work.

Earlier, there would be someone who would get all the information but now flexibility reins such processes. With real-time entry of information on an IT database, the person negotiating a business deal can afford to be far removed from the opposite party. "It helps the negotiator focus on the negotiations," says Sonpal.

Stitch in time

Established in 2001, the company has overhauled its IT system to meet the increasing business needs of Steve and Barry's network. Around the end of 2003, the company was a fledgling organization with 50 employees and a bare-bone IT infrastructure. Beginning 2004, the company began upgrading its applications by scaling up its systems from few modules to a company wide ERP.

Perhaps 4004's most remarkable achievement is that the entire application is developed in-house on ASP.net. Much of the impetus for the development happened because of a sizeable increase in organizational strength from 50 employees to around 300 employees, which resulted in a slew of functions that never existed before.

Accompanying the increase in headcount was the growth in the business: a rise in volumes of raw material

purchased and a corresponding increase in finished goods volumes. Business volumes tripled. By the end of 2005, the company was shipping 80 million pieces a year to Steve and Barry's.

To automate the process in order to restrict any further increase in manpower, the company brought in ASP.net. "It's unheard of to do something like this," says Sonpal referring to the ERP deployment across the department and credits the IT staff for their achievement.

4004 Inc.'s SCM solution is a complete end-to-end solution. With the application running on a real-time basis, all stakeholders can track every movement including the production and shipping of the merchandise.

The company has been pushing fresh IT innovation with an almost frenetic attitude. Vizak Badhniwalla, GM, IT of 4004 Inc. gives an example of a recent initiative. Earlier, a proforma purchase order was displayed on their website for the supplier. Now, the actual order is posted up directly, allowing it to be seamlessly integrated with the company's accounts department, he says.

4004 Inc. has extended its SCM solution to the supplier base as well, which has resulted in the improvement of operational efficiencies. The solution basically updates supplier information. If there is any new business development, say, in the area of investments on infrastructure or machinery for producing footwear, the vendor can upload that information on his own.

"If tomorrow we want to source some product on a real-time basis, we have thoroughly updated information on all the available vendors across the country who could make a good offer," says Sonpal.

Presently, the company has a 2MB link from US to India through a VPN tunnel. There is an ordinary internet link across the branch offices. However, they plan to scale up this infrastructure. "We are very seriously thinking about video conferencing, as it is something that is almost impossible to avoid now," says Sonpal. The company is also planning to spruce up its bandwidth to meet this impending data surge.

Future gear

Just like fashion changes with season, technologies get outdated. 4004 Inc. seems to have factored that in its



Vizak Badhniwalla, GM IT, 4004 Inc.

growth strategy. The company, which already has a wireless LAN deployed at its nerve center in Mumbai, is planning the next move in the wireless world by equipping its employees with PDAs and wireless technology for their inspections.

Product quality is crucial to the procurement business. At present, company inspectors have to travel all the way to manufacturing facilities located in remote areas. There is a lot of paper work involved, which is required to be faxed to the head office. This results in a lot of duplication of operations. Moreover, with hundreds of inspections happening at different parts of the world, the resulting field-work gets cumbersome.

The wireless move would save time. Sonpal explains that once the shipment is inspected, there is just about an hour or so to ship it. Faxing information necessarily means an additional time lag. If the company has real-time information, they could monitor and decide on a round-the-clock basis. "It would give us lead time," says Sonpal.

RFID technology is another utility the company is seriously evaluating. But like every other IT deployment at 4004 Inc, this would take off only when the economic benefits are conclusive. Sonpal throws a possible scenario: getting the real-time data on 50 million pieces of jeans moving would provide instant visibility of goods across remote production facilities so that the inventory department can convert that data into real-time replenishments orders. "It is something that we are looking at," says Sonpal.

Sonpal is well aware that retail giants like WalMart have already specified a cut-off date by which RFID tagging would be mandatory for its suppliers. When asked whether this would influence his decision on RFID technology, he points out the difference:

Steve and Barry is just a 30-store chain compared to WalMart's 4,000 stores. The difference in volumes makes the comparison unattractive. However, Sonpal confirms that, "over the next six months or year, we are committed to a thorough evaluation of RFID."

Moreover, Sonpal bets that whenever the evaluation takes off, it would be a thorough one. The evaluation process will include talks with steam ship and freight forwarding lines as well.

After figuring out the vessel sailing schedules of each vessel, the company would try and work with its agencies to build a real-time track and trace system, whereby they could track the position of containers.

With advance knowledge and more reliable information on the position of the goods, the next transport link could be planned with less uncertainty.

One thing appears to be certain: 4004 Inc's critical evaluation of technologies and relentless scouring to explore new business benefits will remain unflagging as it steers ahead. **INC**

aditya_kelekar@jasubhai.com

ବହୁରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀ ହେବ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ

ନୂଆଦିଲ୍ଲୀ, ୩/୦୭: ଗ୍ଲୋବାଲ ପ୍ରାକ୍ୟୋର୍ମେଣ୍ଟ କମ୍ପାନୀ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ ପକ୍ଷରୁ ବ୍ୟାପକ ସଂପ୍ରସାରଣ ଯୋଜନା ଚୁଡ଼ାନ୍ତ କରାଯାଇଛି । ଆମେରିକାର ଅଗ୍ରଣୀ ରିଟେଲ ଚେନ୍ 'ଷ୍ଟାର୍ଡ ଆଣ୍ଡ ବେରାସ୍' ଯୁନିଭର୍ସିଟି ଫ୍ରେନ୍ସ' ସହ ସହବନ୍ଧନ କରିଥିବା ଏହି କମ୍ପାନୀ ବିଶ୍ୱର ୨୫ଟି ଦେଶରୁ ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ । ୨୦୦୧ରେ ଆରମ୍ଭ ହୋଇଥିବା ଏହି କମ୍ପାନୀ ୨୦୦୬ ଡିସେମ୍ବର ସୁଦ୍ଧା ନିଜର ବ୍ୟବସାୟ ଭିତ୍ତିରେ ୩୦% ବୃଦ୍ଧି ପାଇଁ ଯୋଜନା କରିଛି । ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ବିଭିନ୍ନନ ଧରଣର ପୋଷାକ, ଜୋତା, ବ୍ୟାଗ୍, ବେଲ ଆଦି ସଂଗ୍ରହ କରିଥାଏ । କମ୍ପାନୀ

ଭାରତରୁ ବାର୍ଷିକ ପ୍ରାୟ ୨୦୨ ମିଲିୟନ ଯୁନିଟ୍ ସଂଗ୍ରହ କରୁଥିବାବେଳେ ଏହାର ଅର୍ଦ୍ଧେକ ଦକ୍ଷିଣ ଭାରତରୁ ଓ ଅବଶିଷ୍ଟ ଲୁଧିଆନା, ଦିଲ୍ଲୀ, ମୁମ୍ବାଇରୁ ସଂଗ୍ରହ କରିଥାଏ । ଗତବର୍ଷ କମ୍ପାନୀ ନିଜର କ୍ରୟ କ୍ଷମତାରେ ୨୫% ଅଭିବୃଦ୍ଧି ହାସଲ କରିଥିଲା । ଆସନ୍ତା ୨ ବର୍ଷରେ କମ୍ପାନୀ ନିଜର କ୍ରୟ ପୋର୍ଟଫୋଲିଓରେ ୮ଟି ନୂଆ ସାମଗ୍ରୀ ଯଥା ଲାଇଫ୍, ଷ୍ଟାଇଲ ଉତ୍ପାଦ, ଶୀତପରିଧାନ, ଇଲେକ୍ଟ୍ରୋନିକ ଉତ୍ପାଦ, କମ୍ପ୍ୟୁଟର, ସାଜସଜ୍ଜା ଉତ୍ପାଦ, ଘଷା, ସନ୍‌ଗ୍ରାସ, ମହିଳା ଅନ୍ତଃବସ୍ତ୍ର ଯୋଗ କରିବ । '୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ'ର ବର୍ତ୍ତମାନ ପାକିସ୍ତାନ, ଚୀନ, ଜୋତାନରେ ଅନ୍ତର୍ଜାତୀୟ

କାର୍ଯ୍ୟାଳୟ ଥିବାବେଳେ ଚଳିତ ବର୍ଷ ଶେଷସୁଦ୍ଧା ଆଉ ୮ଟି କାର୍ଯ୍ୟାଳୟ ଖୋଲିବ ବୋଲି କମ୍ପାନୀ ପକ୍ଷରୁ ସୂଚନା ଦିଆଯାଇଛି । ଏ ସମ୍ପର୍କରେ କମ୍ପାନୀର ପରିଚାଳନା ନିର୍ଦ୍ଦେଶକ ଅଭି ସୋନ୍‌ପାଲ କହିଛନ୍ତି, "ଆମେ ଧୀରେ ଧୀରେ ବ୍ୟବସାୟ ଆରମ୍ଭ କରିଥିଲେ ମଧ୍ୟ ଉଚ୍ଚଗୁଣମାନର ବିକ୍ରେତା, କୁଶଳା କର୍ମଚାରୀ ଚୟନ କ୍ଷେତ୍ରରେ ଉତ୍ତମ ପଦକ୍ଷେପ ଯୋଗୁଁ ବିଶ୍ୱ ପ୍ରାକ୍ୟୋର୍ମେଣ୍ଟ ବଜାରରେ ଏକ ପ୍ରମୁଖ ଅଧିକାର କରିପାରିଛୁ । ଆଗାମୀ ୨ ବର୍ଷରେ ନିଜର କର୍ମଚାରୀ ସଂଖ୍ୟା ୬୦୦ରୁ ଅଧିକ କରି ଏକ ବହୁ ରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀରେ ପରିଣତ ହେବା ପାଇଁ ଲକ୍ଷ୍ୟ ରଖୁଛୁ ।"

ବହୁରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀ ହେବ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ

କୁନ୍ : ଗ୍ଲୋବାଲ ପ୍ରକ୍ୟୋରମେଣ୍ଟ କମ୍ପାନୀ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ ପକ୍ଷରୁ ବ୍ୟାପକ ସଂପ୍ରସାରଣ ଯୋଜନା ଚୂଡ଼ାନ୍ତ କରାଯାଇଛି । ଆମେରିକାର ଅଗ୍ରଣୀ ରିଟେଲ୍ ଚେନ୍ 'ଷ୍ଟିଭ୍ ଆଣ୍ଡ ବେରୀୟ ମୁନିଭର୍ସିଟି ସ୍ପୋର୍ଟସ୍ ଡ୍ରମର' ସହ ସହବନ୍ଧନ କରିଥିବା ଏହି କମ୍ପାନୀ ବିଶ୍ୱର ୨୫ଟି ଦେଶରୁ ବିଭିନ୍ନ ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ ।

୨୦୦୧ରେ ଆରମ୍ଭ ହୋଇଥିବା ଏହି କମ୍ପାନୀ ୨୦୦୬ ଡିସେମ୍ବର ସୁଦ୍ଧା ନିଜର ବ୍ୟବସାୟ ଭିତ୍ତିରେ ୩୦% ବୃଦ୍ଧି ପାଇଁ ଯୋଜନା କରିଛି । ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ବିଭିନ୍ନ ଧରଣର ପୋଷାକ, ଜୋତା, ବ୍ୟାଗ୍, ବେଲ୍ ଆଦି ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ । କମ୍ପାନୀ ଭାରତରୁ ବାର୍ଷିକ ପ୍ରାୟ ୨୦ ମିଲିୟନ୍ ଯୁନିଟ୍ ସଂଗ୍ରହ କରୁଥିବା ବେଳେ ଏହାର ଅର୍ଦ୍ଧେକ ଦକ୍ଷିଣ ଭାରତରୁ ଓ ଅବଶିଷ୍ଟ ଲୁଧିଆନା, ଦିଲ୍ଲୀ, ମୁମ୍ବାଇରୁ ସଂଗ୍ରହ କରିଥାଏ । ଗତବର୍ଷ କମ୍ପାନୀ ନିଜର କ୍ରୟ କ୍ଷମତାରେ ୨୫% ଅଭିବୃଦ୍ଧି ହାସଲ କରିଥିଲା । ଆସନ୍ତା ୨ ବର୍ଷରେ କମ୍ପାନୀ ନିଜର କ୍ରୟ ପୋର୍ଟଫୋଲିଓରେ ୮ଟି ନୂଆ ସାମଗ୍ରୀ ଯଥା ଲାଇଫ୍ ସାଇଲ୍ ଉପାଦ, ଶୀତପରିଧାନ, ଇଲେକ୍ଟ୍ରୋନିକ୍ ଉପାଦ, କସ୍ମେଟିକ୍ସ, ସାଜସଜ୍ଜା ଉପାଦ, ଘଣ୍ଟା, ସନ୍‌ଗ୍ଲାସ, ମହିଳା ଅନ୍ତଃବସ୍ତ୍ର ଯୋଗ କରିବ । '୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ'ର ବର୍ତ୍ତମାନ ପାକିସ୍ତାନ, ଚୀନ୍, ଜୋର୍ଡାନରେ ଅର୍ଦ୍ଧଜାତୀୟ କାର୍ଯ୍ୟାଳୟ ଥିବାବେଳେ ଚଳିତ ବର୍ଷ ଶେଷସୁଦ୍ଧା ଆଉ ୮ଟି କାର୍ଯ୍ୟାଳୟ ଖୋଲିବ ବୋଲି କମ୍ପାନୀ ପକ୍ଷରୁ ସୂଚନା ଦିଆଯାଇଛି ।

ବହୁରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀ ହେବ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ

ନୂଆଦିଲ୍ଲୀ, ୩/୦୭: ଗ୍ଲୋବାଲ ପ୍ରାକ୍ୟୋର୍ମେଣ୍ଟ କମ୍ପାନୀ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ ପକ୍ଷରୁ ବ୍ୟାପକ ସଂପ୍ରସାରଣ ଯୋଜନା ଚୂଡ଼ାନ୍ତ କରାଯାଇଛି । ଆମେରିକାର ଅଗ୍ରଣୀ ରିଟେଲ ଚେନ୍ 'ଷ୍ଟିଭ୍ ଆଣ୍ଡ ବେରାସ୍ ମ୍ୟୁନିଭର୍ସିଟି ଫ୍ରିୟର' ସହ ସହବନ୍ଧନ କରିଥିବା ଏହି କମ୍ପାନୀ ବିଶ୍ୱର ୨୫ଟି ଦେଶରୁ ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ । ୨୦୦୧ରେ ଆରମ୍ଭ ହୋଇଥିବା ଏହି କମ୍ପାନୀ ୨୦୦୬ ଡିସେମ୍ବର ସୁଦ୍ଧା ନିଜର ବ୍ୟବସାୟ ଭିତ୍ତିରେ ୩୦% ବୃଦ୍ଧି ପାଇଁ ଯୋଜନା କରିଛି । ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ବିଭିନ୍ନନ ଧରଣର ପୋଷାକ, ଜୋତା, ବ୍ୟାଗ, ବେଲ ଆଦି ସଂଗ୍ରହ କରିଥାଏ । କମ୍ପାନୀ

ଭାରତରୁ ବାର୍ଷିକ ପ୍ରାୟ ୨୦୨ ମିଲିୟନ ଯୁନିଟ୍ ସଂଗ୍ରହ କରୁଥିବାବେଳେ ଏହାର ଅର୍ଦ୍ଧେକ ଦକ୍ଷିଣ ଭାରତରୁ ଓ ଅବଶିଷ୍ଟ ଲୁଧିଆନା, ଦିଲ୍ଲୀ, ମୁମ୍ବାଇରୁ ସଂଗ୍ରହ କରିଥାଏ । ଗତବର୍ଷ କମ୍ପାନୀ ନିଜର କ୍ରୟ କ୍ଷମତାରେ ୨୫% ଅଭିବୃଦ୍ଧି ହାସଲ କରିଥିଲା । ଆସନ୍ତା ୨ ବର୍ଷରେ କମ୍ପାନୀ ନିଜର କ୍ରୟ ପୋର୍ଟଫୋଲିଓରେ ୮ଟି ନୂଆ ସାମଗ୍ରୀ ଯଥା ଲାଇଫ୍ ଷ୍ଟାଇଲ ଉତ୍ପାଦ, ଶୀତପରିଧାନ, ଇଲେକ୍ଟ୍ରୋନିକ ଉତ୍ପାଦ, କମ୍ପ୍ୟୁଟିଂ, ସାଜସଜ୍ଜା ଉତ୍ପାଦ, ଘଷା, ସନ୍‌ଗ୍ରାସ, ମହିଳା ଅନ୍ତଃବସ୍ତ୍ର ଯୋଗ କରିବ । '୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ'ର ବର୍ତ୍ତମାନ ପାକିସ୍ତାନ, ଚୀନ, ଜୋର୍ଡାନରେ ଅନ୍ତର୍ଜାତୀୟ

କାର୍ଯ୍ୟାଳୟ ଥିବାବେଳେ ଚଳିତ ବର୍ଷ ଶେଷସୁଦ୍ଧା ଆଉ ୮ଟି କାର୍ଯ୍ୟାଳୟ ଖୋଲିବ ବୋଲି କମ୍ପାନୀ ପକ୍ଷରୁ ସୂଚନା ଦିଆଯାଇଛି । ଏ ସମ୍ପର୍କରେ କମ୍ପାନୀର ପରିଚାଳନା ନିର୍ଦ୍ଦେଶକ ଅଭି ସୋନ୍‌ପାଲ କହିଛନ୍ତି, "ଆମେ ଧୀରେ ଧୀରେ ବ୍ୟବସାୟ ଆରମ୍ଭ କରିଥିଲେ ମଧ୍ୟ ଉଚ୍ଚଗୁଣମାନର ବିକ୍ରେତା, କୁଶଳା କର୍ମଚାରୀ ଚୟନ କ୍ଷେତ୍ରରେ ଉତ୍ତମ ପଦକ୍ଷେପ ଯୋଗୁଁ ବିଶ୍ୱ ପ୍ରକ୍ୟୋର୍ମେଣ୍ଟ ବଜାରରେ ଏକ ପ୍ରମୁଖ ଅଧିକାର କରିପାରିଛୁ । ଆଗାମୀ ୨ ବର୍ଷରେ ନିଜର କର୍ମଚାରୀ ସଂଖ୍ୟା ୬୦୦ରୁ ଅଧିକ କରି ଏକ ବହୁ ରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀରେ ପରିଣତ ହେବା ପାଇଁ ଲକ୍ଷ୍ୟ ରଖୁଛୁ ।"

ବହୁରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀ ହେବ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ

ଭୁବନେଶ୍ୱର : ଗ୍ଲୋବାଲ୍ ପ୍ରକ୍ୟୋରମେଣ୍ଟ କମ୍ପାନୀ ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ ପକ୍ଷରୁ ବ୍ୟାପକ ସଂପ୍ରସାରଣ ଯୋଜନା ଚୁଡ଼ାନ୍ତ କରାଯାଇଛି । ଆମେରିକାର ଅଗ୍ରଣୀ ରିଟେଲ୍ ଚେନ୍ 'ଷ୍ଟିଭ୍ ଆଣ୍ଡ ବେରାସ୍ ଯୁନିଭର୍ସିଟି ସ୍ପୋର୍ଟସ୍ ଫ୍ରିୟର' ସହ ସହବନ୍ଧନ କରିଥିବା ଏହି କମ୍ପାନୀ ବିଶ୍ୱର ୨୫ଟି ଦେଶରୁ ବିଭିନ୍ନ ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ ।

୨୦୦୧ରେ ଆରମ୍ଭ ହୋଇଥିବା ଏହି କମ୍ପାନୀ ୨୦୦୬ ଡିସେମ୍ବର ସୁଦ୍ଧା ନିଜର ବ୍ୟବସାୟ ଭିତ୍ତିରେ ୩୦% ବୃଦ୍ଧି ପାଇଁ ଯୋଜନା କରିଛି । ୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ବିଭିନ୍ନ ଧରଣର ପୋଷାକ, ଜୋତା, ବ୍ୟାଗ୍, ବେଲ୍ ଆଦି ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ । କମ୍ପାନୀ ଭାରତରୁ ବାର୍ଷିକ ପ୍ରାୟ ୨୦ ମିଲିୟନ୍ ଯୁନିଟ୍ ସଂଗ୍ରହ କରୁଥିବା ବେଳେ ଏହାର ଅର୍ଦ୍ଧେକ ଦକ୍ଷିଣ ଭାରତରୁ ଓ ଅବଶିଷ୍ଟ ଲୁଧିଆନା, ଦିଲ୍ଲୀ, ମୁମ୍ବାଇରୁ ସଂଗ୍ରହ କରିଥାଏ । ଗତବର୍ଷ କମ୍ପାନୀ ନିଜର କ୍ରୟ କ୍ଷମତାରେ ୨୫% ଅଭିବୃଦ୍ଧି ହାସଲ କରିଥିଲା । ଆସନ୍ତା ୨ ବର୍ଷରେ କମ୍ପାନୀ ନିଜର କ୍ରୟ ପୋର୍ଟଫୋଲିଓରେ ୮ଟି ନୂଆ ସାମଗ୍ରୀ ଯଥା ଲାଇଫ୍ ସାଇଲ୍ ଉପ୍‌ଦ, ଶୀତପରିଧାନ, ଇଲେକ୍ଟ୍ରୋନିକ୍ ଉପ୍‌ଦ, କମ୍ପ୍ୟୁଟିଙ୍ଗ୍, ସାଜସଜ୍ଜା ଉପ୍‌ଦ, ଘଣ୍ଟା, ସନ୍‌ଗ୍ଲାସ୍, ମହିଳା ଅନ୍ତଃବସ୍ତ୍ର ଯୋଗ କରିବ । '୪୦୦୪ ଇନ୍‌କର୍ପୋରେଟେଡ୍ ଇଣ୍ଡିଆ'ର ବର୍ତ୍ତମାନ ପାକିସ୍ତାନ, ଚୀନ୍, ଜୋର୍ଡାନରେ ଅର୍ଦ୍ଧଜାତୀୟ କାର୍ଯ୍ୟାଳୟ ଥିବାବେଳେ ଚଳିତ ବର୍ଷ ଶେଷସୁଦ୍ଧା ଆଉ ୮ଟି କାର୍ଯ୍ୟାଳୟ ଖୋଲିବ ବୋଲି କମ୍ପାନୀ ପକ୍ଷରୁ ସୂଚନା ଦିଆଯାଇଛି ।

ଏ ସମ୍ପର୍କରେ କମ୍ପାନୀର ପରିଚାଳନା ନିର୍ଦ୍ଦେଶକ ଅଭି ସୋନ୍‌ପାଲ୍ କହିଛନ୍ତି "ଆମେ ଧୀରେ ଧୀରେ ବ୍ୟବସାୟ ଆରମ୍ଭ କରିଥିଲେ ମଧ୍ୟ ଉଚ୍ଚଗୁଣମାନର ବିକ୍ରେତା, କୁଶଳୀ କର୍ମଚାରୀ ଚୟନ କ୍ଷେତ୍ରରେ ଉତ୍ତମ ପଦକ୍ଷେପ ଯୋଗୁଁ ବିଶ୍ୱ ପ୍ରକ୍ୟୋରମେଣ୍ଟ ବଜାରରେ ଏକ ପ୍ରମୁଖ ଅଧିକାର କରିପାରିଛୁ । ଆଗାମୀ ୨ ବର୍ଷରେ ନିଜର କର୍ମଚାରୀ ସଂଖ୍ୟା ୬୦୦ରୁ ଅଧିକ କରି ଏକ ବହୁ ରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀରେ ପରିଣତ ହେବା ପାଇଁ ଲକ୍ଷ୍ୟ ରଖୁଛୁ ।"

୪୦୦୪ ଇନ୍ଦିଆପୋରେଟେଡ୍ ଇଣ୍ଡିଆର ସମ୍ପ୍ରସାରଣ ଯୋଜନା

ଭୁବନେଶ୍ୱର, ତା.୩୭ (ପିଏନ୍ଏସ୍): ଅନ୍ତରାଷ୍ଟ୍ରୀୟ କମ୍ପାନୀ ୪୦୦୪ ଇନ୍ଦିଆପୋରେଟେଡ୍ ଇଣ୍ଡିଆ ପକ୍ଷରୁ ବ୍ୟାପକ ସମ୍ପ୍ରସାରଣ ଯୋଜନା ବୃତ୍ତାନ୍ତ କରାଯାଇଛି । ଏହି କମ୍ପାନୀ ୨୦୦୬ ଡିସେମ୍ବର ସୁଦ୍ଧା ନିଜର ବ୍ୟବସାୟ ଭିତ୍ତିରେ ୩୦% ବୃଦ୍ଧି ପାଇଁ ଯୋଜନା କରିଛି । ୪୦୦୪ ଇନ୍ଦିଆପୋରେଟେଡ୍ ବିଭିନ୍ନ ଧରଣର ପୋଷାକ, ଜୋତା, ବ୍ୟାଗ୍, ବେଲ୍ ଆଦି ସାମଗ୍ରୀ ସଂଗ୍ରହ କରିଥାଏ । କମ୍ପାନୀ ଭାରତରୁ ବାର୍ଷିକ ପ୍ରାୟ ୨୦ ନିୟୁତ ଯୁନିଟ୍ ସଂଗ୍ରହ କରୁଥିବାବେଳେ ଏହାର ଅର୍ଦ୍ଧେକ ଦକ୍ଷିଣ ଭାରତରୁ ଓ ଅବଶିଷ୍ଟ ଲୁଧିଆନା, ଦିଲ୍ଲୀ, ମୁମ୍ବାଇରୁ ସଂଗ୍ରହ କରିଥାଏ । ଗତବର୍ଷ କମ୍ପାନୀ ନିଜର କ୍ରୟ କ୍ଷମତାରେ ୨୫% ଅଭିବୃଦ୍ଧି ହାସଲ କରିଥିଲା । ଆସନ୍ତା ୨ ବର୍ଷରେ କମ୍ପାନୀ ନିଜର କ୍ରୟ ପୋର୍ଟଫୋଲିଓରେ ୮ଟି ନୂଆ ସାମଗ୍ରୀ ଯଥା ଲାଇଫ୍, ଷ୍ଟାଇଲ୍ ଉତ୍ପାଦ, ଶୀତପରିଧାନ, ଇଲେକ୍ଟ୍ରୋନିକ୍ ଉତ୍ପାଦ, କମ୍ପ୍ୟୁଟିଂ, ସାଜସଜ୍ଜା ଉତ୍ପାଦ, ଘଣ୍ଟା, ସନଗାସ୍, ମହିଳା ଅନ୍ତଃବସ୍ତ୍ର ଯୋଗ କରିବ ।



July 14, 2006

City workers take a break

Mahape: 4004 Incorporated India, global procurement firm, recently organised a fun-filled evening for around 250 factory workers at Mahape, Navi Mumbai. Aimed at de-stressing the workers and making them feel special, there were events planned that included a mimicry act, a health talk, a yoga session and gift & dinner distribution. Texport syndicate located at Mahape was one such factory, whose employees attended the event and took a break from their stress.

20 July 2006

We have grown from a 2 people company to 500+ with offices in Mumbai, China & Pakistan

Publication: Textile Excellence, Edition: Mumbai, Journalist: D Dutta, Page No: 22 & 24, Location: Full Page



Mr. Avi Sonpal, M.D, 4004 Incorporated in an exclusive conversation with **Mr. D. Dutta**, Analyst, Textile Excellence about the company's growth, operation, vendor compliance, tariff and host of other issues.

We have grown from a 2 people company to 500+ with offices in Mumbai, China & Pakistan

Can you give a brief description and nature of operations "4004 Incorporated" carries worldwide and in India?

4004 Incorporated India is a global procurement hub and a strategic affiliate for Steve and Barry's university sportswear brand. 4004 Incorporated is responsible for all procuring all sellable (t-shirts, jeans, shorts, khakis, etc..) and non-sellable {metallic, plastic & wooden fixtures; stationary; store fittings, etc..} merchandise for the retail chain in the US. The company currently procures from 25 countries around the world, and is set to increase this base by 30% by December 2006.

The nature of operations for 4004 Inc include Vendors Development, Research & Relations:

4004 Inc identifies vendors across the globe for business opportunity, who will match our price and quality standards. We are an extremely vendor friendly company and a lot of vendors have been with us since we started our operations here in India. We currently work with close to 25 vendors in different countries

Design: The design team in Mumbai supports the design team in the US.

Merchandising & Sourcing: Negotiating prices and providing specs for the merchandise

Quality Assurance: All quality assurance checks are done in Mumbai. We have a team of close to 60 people dedicated to one of our most important responsibilities

Logistics: To ensure all merchandise is shipped to the US in the right manner at the right time.

Support Functions: 4004 Incorporated also has teams whose responsibilities include Information Technology, Human Resources & Accounting & Finance. The company has an in-house IT Team of 60 who have recently created our own proprietary SCM software.

What are the future plans for "Steve and Barry University Sportswear"?

Steve and Barry's is growing at an impressive rate. The company plans to be a 300 store chain by the end of 2007 from the current count of 120 stores. The future plans aim to evolve our retail chain into a chain of complete department stores.

What kind of growth has the company experienced since its inception?

4004 Incorporated India and Steve and Barry's have seen approximately 80% growth year on year since 2001.

- We started our operations in September 2001 with 2 people and currently stand at 500+ employee strength across our head-office in Mumbai, and our network sourcing offices in our sourcing hubs like China & Pakistan.
- Our global buying capacities have increased by 60-80% year on year, where in 2004 we sourced 2 million pieces from India which grew to procure 20 million pcs in 2005.
- In 2001 SnB had close to 7-8 stores and, since the opening of 4004 Incorporated in 2001, the company is expected to be a 300 store retail chain by December 2007.

What is the volume or value of garments the company supplies annually? What is the future demand you foresee?

Since 4004 Inc India is a privately held company we do not reveal any figures. However, we procure close to 20 million pieces annually from India alone. With stores almost doubling in the U.S. every year, 4004 Incorporated translates this growth into increased buying capacities. In addition to sourcing & procuring 50-70% more of the categories we currently source (apparel, accessories, footwear and non-sellable items), we plan on increasing our procurement portfolio by adding on 8 new categories including winter wear, sunglasses and electronic items within the next 12 months.

What are the criteria and compatibility issues while selecting vendors and suppliers?

Vendors are selected based on the following parameters:

- Price
- Quality
- Factory Standards (machines)
- Compliance Standards

What has been your logistic and procurement strategy model? Can you explain your concept of "Tariff Engineering"?

4004 Incorporated employ a large team of Vendor Development and Research specialists who are our radars wrt TDAs pertaining to the United States.

Tariff Engineering (TE) is a scientific term used to master various tariff & duty arrangements between countries. Exclusive inter-country trade agreements are identified, after which our Vendor Development teams travel to the respective countries where the United States has signed a free or a low duty agreement for imports. An example of this could be the Central America Free Trade Agreement (CAFTA), where certain merchandise can be shipped into the US without any import duties. By taking TE into account before product development takes place, companies can realize significant cost savings. This is exactly the art that Steve & Barry's has mastered with great success.

Interestingly, the secret of being able to sell cheap is the ability of 4004 Incorporated to buy cheap from the global market, without compromising on the quality standards. Considering nothing in a Steve & Barry's store is sold over USD 9.98, 4004 Incorporated faces on-going challenges to source and procure merchandise at extremely competitive prices. In addition to TE, the company also works closely with vendors to coach them on best practices learnt from other vendors from all parts of the world. For any given merchandise, a piece gets divided into smaller components (eg. for a shirt, the components would be buttons, sleeves & colors, labels, etc.), and an indicative costing is arrived at. Providing a vendor has trouble meeting our prices, we as a company introduce them to various suppliers from across the world for these components which will help the manufacturer in meeting prices

What is the present product portfolio? Any plans to extend the same?

The current procurement portfolio of 4004 Incorporated includes knits and woven apparel, for clothing like jeans, jackets, cargos, shorts, t-shirts, sweatshirts etc. In addition to these, the company is also responsible for sourcing footwear & accessories like bags, scarves and belts etc

In 2006, 4004 incorporated showed a substantial number of additions in their procurement portfolio moving from apparel into footwear and other accessories. Over the next 2 years, the global procurement hub for one of the leading brands in the US, plans to add eight (8) new categories to our procurement portfolio. Some of these include cold weather accessories, lifestyle products, electronic gadgets, decorative products, cosmetics, watches and sunglasses.

Abridged Profile

Avi's vast experience spanning over a decade in the business of garments, textile and retail across the globe, underpins his position as the Managing Director of 4004 Incorporated India, a global creative procurement hub and strategic affiliate of America's fastest growing retail chain, Steve and Barry's University Sportswear.

Coming from a family of 'garmentos', Avi is an innovative leader and an entrepreneur personified who understands the pulse of garment manufacturing, textile & international trade. After returning from *New York*, where he went to pursue his degree at the world renowned Fashion Institute of Technology, Avi took charge of the reins at 4004 Inc India. Since then, this visionary has led the transformation of 4004 Incorporated from a one man office in Mumbai to a 500 people strong multinational powerhouse, providing Global Sourcing & Retail Solutions to the retail chain giant in the US. Avi has achieved significant success in building 4004 Incorporated from a vision to an actual reality in just 4.5yrs.

Under the able leadership of Avi, 4004 Incorporated India office in Mumbai stands today as a Nerve Center for the Procurement Solutions & Strategy Operations for Steve & Barry's U.S.A. The company operates several offices worldwide including India, Pakistan and China, to support procurement and Supply Chain activities. He envisions India as the next global destination for creative procurement and with 4004 Incorporated having ignited a spark of retail revolution in the country, he thinks the day is not far away.

Contact Details: Avi Sonpal Managing Director 4004 Incorporated - India Volkart Building, Opp: Voltas House, Plot No. 194, J. N. Heridia Marg, Ballard Estate, Mumbai 400 001. Voice: (0091) 22 5654 6979 Fax: (0091) 22 5634 9469 avi@steveandbarrys.com

4004 Inc draws up growth plans

Arushi Sen

Mumbai, Aug. 2

4004 Incorporated, the company responsible for procuring all of American retail chain Steve and Barry's sellable and non-sellable merchandise, has drawn up ambitious growth plans.

At present, the Mumbai-headquartered company procures from 25 countries around the world and aims to increase this base by 30 per cent by December 2006. In addition to the Mumbai office, the company has an office in China and Jordan and is looking to set up seven more by the end of the year.

Thailand, Egypt and Bangladesh are some of the countries it is looking at.

"The India base was set up in 2001 and the growth has been over a hundred per cent every year.

"There are now about 140 Steve and Barry stores in the US. As they are growing, we need to expand to meet their procurement needs," said Ms Khyati Bhide, Marketing Manager.

The procurement portfolio of 4004 Inc includes knits and woven apparel for clothing like jeans, jackets, t-shirts etc., as well as footwear and accessories like bags, scarves and belts.

"We are able to source the products for 50 per cent lower than others. Steve and Barry had a 100 per cent growth plan.

"One thing led to another and we kept growing," said Mr Avi Sonpal, Managing Director, 4004 Incorporated. "We started procuring their non-sellable items as well. They use air-conditioners, flooring, furniture etc. and we procure all of this for them.

"Our skill is that we procure products at a very low cost. We invest about 10 per cent into R&D," said Mr Sonpal.

'TARIFF ENGINEERING'

The company is able to keep up with Steve and Barry's price strategy by sourcing merchandise at rock bottom prices through what they call tariff engineering. "We have an intensive team that studies tariff structures all over the world. Where the duties are more, where they are less etc. We have a strategy for cutting costs," said Mr Sonpal.

Creating trade sensation

Avirat Sonpal brings out the significance of tariff-engineering in the Indian retail scenario



As competition increases in the market place, companies are forced to innovate, in order to survive and grow. This innovation could range from bringing new products, designs, material, processes, technologies, prices, usage, marketing and branding strategies and many other things.

While these are the things that keep on playing in the minds of many top management people in the corporate circles, 4004 Incorporated, follows what well-known American stockbroker Charles M Schwab had professed. According to Mr Schwab, "A man to carry on a successful business must have imagination. He must see things as in a vision, a dream of the whole thing."

4004 Incorporated has done exactly that. They have imagined and defied the thumb rules of sourcing and procurement. Continuously probing various strategies and options, the company has chalked out a very

unique and successful story. A global procurement hub and strategic affiliate to a leading university sportswear's brand in the US, Steve and Barry's (S&B), 4004 Incorporated has mastered the art of tariff engineering in order to cope with the exponential growth of one of the fastest growing retail chains in the US.

Engineering a trend - The history

Successful businesses have great success stories to present to the world and sometimes they

are not about battles that have been fought for years. At times, it's simple, creative, out of the box thinking that makes winners out of companies like Steve and Barry's and 4004 Incorporated.

4004 Incorporated has been in India for the past five years and has been procuring sellable and non-sellable merchandise from around the globe for Steve and Barry's. The former currently does 100 per cent procurement for Steve and Barry's in the sellable and non-sellable categories.

When Steve and Barry's first started out, their strategy was to sell regular wear such as T-shirts, jeans, jackets, hats and other items to the entire family for \$10 and below. This proved to be quite successful with the retail chain already having over 130 stores in the US itself and plans to expand by 50 per cent in terms of stores. Having maintained its low cost advantage consistently for over 20 years since its inception in 1985, the retailer has left retail experts and competitors baffled.

Interestingly, the secret of being able to sell reasonable is the ability of 4004 Incorporated to buy quality goods at the best possible prices. In order to achieve this, the US based retailer charted its own course leading to a new trend called extreme retailing, which extends beyond products offerings. Following this principle, they survived on word-of-mouth publicity and practiced tariff engineering. Steve and Barry's pioneered the thought and 4004 Incorporated perfected the art, thereby making it their combined success story.

Beginnings of tariff engineering @ 4004 incorporated India

Tariff engineering, a philosophy embedded in the culture of the company is defined as the art of sourcing and procuring merchandise through creative mechanisms by fully understanding global trade agreements to enjoy a cost advantage by maintaining ethical business practices and superior quality levels.

In saying the above, tariff engineering looks at a creative, out of the ordinary process in procuring



merchandise. A company could practice tariff engineering through the following:

◆ **Blend Composition:** For example mixing more cotton than polyester in a garment or fashioning a garment to be waterproof to be able to take advantage of more economical duty classifications. Let us take one more example. A man's nylon jacket coming from China typically carries a duty of 28 per cent but 4004 Inc orders (in consultation with Steve and Barry's, US) a design that has the fabric equipped with water-resistant coating, reclassifying the garment as rainwear and dropping the duty to as little as four per cent. That's worth a few million dollars. So, finally 4004 Inc procures the product at a lower cost while the consumer gets a better product.

◆ **Engineering higher density products:** Creatively tweaking the composition of a product to reduce the price while maintaining high quality and durability.

◆ **Large economies of scale:** The company has entered into various joint venture agreements and buy-back arrangements with vendors where manufacturers are assured an X amount of buys, only condition being that the buys could occur anytime within the 12 months agreement terms. This allows 4004 Incorporated as a company to take advantage of economies of scale buying.

◆ **Booking commodity prices of crop:** The company support vendors in booking crops (for example cotton) on off-peak times to take-on cost advantages. Vendors from their perspective willingly do so due to the assured year round buys from 4004 Incorporated.

For merchandise like T-shirts and jeans (common use casual merchandise) the company buys large quantities from vendors in off-peak seasons to enjoy cost advantages.

◆ **Free trade agreement understanding:** For instance, in order to encourage Israel-Jordan relations, industrial parks are designed from where goods come in duty-free. Surprisingly, at least 35 per cent of a product's value comes from the protected zone. So, for a five dollar (wholesale) pair of shorts, \$1.75 of its value must come from the sewing, cutting and indigenous components from Jordan and Israel; the rest of the garment-fabric, buttons, zipper-can be shipped in from elsewhere. Had those five-dollar shorts been made in China instead of Jordan, they would have cost \$6.40. In 2004, 4004 Inc procured 500,000 Jordanian shorts, a cool savings of \$700,000.

Low cost has always been the main element in 4004 Incorporated's scheme of things. What makes them unique is this principle is not limited to clothes and other products alone but also pervades across the organisation. Take a look at this. Not long ago the Steve and Barry's headquarters in New York ran out of chairs and required 300 of them. They could have purchased expensive branded chairs had they spent around \$525



on each chair. Instead 4004 Incorporated procured Chinese-made chairs at \$24 each thus saving \$150,000.

Indian retail scenario

There is no better example to prove this than the Indian consumer who to a large extent has always been price sensitive. Retailers have a great opportunity to reach out to the 890 million strong consumers who are below 45 years of age and its organised retail growing at over 30 percent per year. India has all the ingredients to make it a booming fashion and lifestyle market. Accordingly to a recent study conducted by IMAGES-KSA Technopak on the Indian apparel market, it is valued at Rs 88,000 crore and the growth rate was 13.6 per cent in 2005.

Future projections for organised retail look promising with growing number of malls coming up in various parts of the country bringing huge investments along with them. In fact AT Kearney lists India among the emerging markets for global retailers to enter.

Though Steve and Barry's currently operates in the US, the day may not be far when the retail giant, powered by the tariff engineering skills of 4004 Incorporated, could plan to make its presence felt through the growing retail scenario in India, which is estimated to have over 375 large shopping malls and 10,000 plus other new outlets by 2007.

It's all about vision

Cost is always difficult to control and the retail chain has been doing it pretty successfully and consistently over the years triggering a new phase in the global retail and supply chain management market. It was indeed a courageous and strategic decision but sticking to it amidst heavy odds required greater courage, vision, belief and conviction. 4004 Incorporated is certainly the living example of Peter Drucker's classic business management words.

The author is MD, 4004 Incorporated India. He can be contacted at avi@steveandbarrys.com

Giving a bird's eye view account of the current developments in the retail segment in India, **Avirat Sonpal** talks about the two main players in the sector and the strategies MNCs should use



Retailing: The Sunrise Sector

In recent times, one segment that has made a considerable amount of noise in Indian media is retail and not without any reason. A couple of years back AT Kearney identified India as the "second most attractive retail destination" from among 30 emerging markets. With a contribution of 14 per cent to the GDP and employing 7 per cent of the total workforce or 4.2 crore people in the country (only agriculture employs more), the retail industry is definitely one of the pillars of the economy. At the start of 2004, the overall Indian retail market was pegged at USD 162 billion and by 2005 it was estimated to be USD 202.6 billion and expected to grow at a rate of 30 per cent over the next five years.

Interestingly, of the over USD 200 billion market only USD 7.7 billion (approximately 3.8 per cent) has been from organised retail while the rest is from the unorganised sector. However, with the kind of boom that Indian retail is witnessing now, organised retail is set to increase its contribution to 20 to 22 per cent in the coming years, i.e. around USD 24 billion. While the economy and disposable income situation have been major factors in changing the retail scene, there is also a major hype being created.

Indian retail players



Kishore Biyani, MD, The Future Group

While there has been considerable amount of material written about the retail industry, only two players in my opinion have been in the limelight,

(earlier Pantaloon Retail India Ltd) and Mukesh Ambani, CMD, Reliance Industries.



Biyani's strategy for The Future Group is to diversify, test and build. While he has the first mover's advantage in the different sub-sectors of retail, lack of specialised expertise could be Biyani's handicap. On the other hand, Ambani's strategy is to have a fool-proof blue print for well-planned growth and tons of investment. The way I look at it, the Indian market has an enormous potential for retailing. Apart from these two, there are other talented players in the market like Globus, Trent and Shoppers' Stop (with its new one lakh sq.ft mall space) who I believe have legitimate, sound and sustainable growth plans.

There are areas that need attention, like the real Indian market that lies outside urban areas. The players who can reach out to this untapped 80 per cent of the market will thrive and lead to the exponential growth of the Indian retail market.

FDI in retail

With India having its own culture in terms of beliefs, likes and needs, MNCs need to work harder to sell their products here. Customisation of products and modification of strategies are key for MNCs to succeed in India. To understand the Indian market better, MNCs need to hire local retail gurus either by hiring or forging joint ventures.

Opening up of FDI in India in single

branded retailing means that we are working towards putting ourselves on the retailing world map. Wal-Mart is ready to take a huge pie. However, I believe it will be a while before we open up as an economy to all kinds of international retailing (multiple branded retailing; specialty retailing Best Buy, Footlocker, Sunglass Hut, Staples, Office Depot and Toys R Us to name a few).

Though the Indian economy is currently witnessing a major transformation in retail, I believe that the hype created by media is an exaggeration. Though India has great potential, it has a long way to go before it reaches a standard of that of the western world. We are likely to see developments such as Indian retailers expanding and investing more with various MNC single branded retailers trickling into the market. In sync with the rapid growth of retail, and various job opportunities created, specialised courses in retailing and its sub-categories are emerging.

Several Indian retail players are expected to attain a critical mass as growth in the industry picks up momentum. This will be driven by two main factors. First, availability of quality real estate and mall management practices, and, second, consumer preference for shopping in new environs. However, it is too early to say who will survive and who won't. Key being, who is more focused and, at the end of the day, who has a winning out-of-the-box business strategy in terms of marketing, pricing, product development and business module.

The author is MD, 4004 Inc India. The company is the supply chain and procurement hub for Steve & Barry's, USA



Survival of the best

Avirat Sonpal gives a bird's eye view account of the current developments in the retail segment in India



In recent times, one segment that has made considerable amount of noise in the Indian media is retail, and not without any reason. A couple of years back AT Kearney identified India as the "second most attractive retail destination" from among 30 emergent markets. With a contribution of 14 per cent to GDP and employing seven per cent of the total workforce or 42 million (only agriculture employs more) in the country, the retail industry is definitely one of the pillars of the economy. Look at these figures. At the start of 2004, the overall Indian retail market was pegged at US\$ 162 billion and by 2005 it was estimated to be US\$ 202.6 billion, and expected to grow at a rate of 30 per cent over the next five years.

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unorganised sector. However, with the kind of boom that Indian retail is witnessing now, organised retail is set to increase its contribution to 20-22 per cent in the coming years, that is, around US\$ 24 billion. While the economy and disposable income scenario have been major factors in changing the retail scene, I also feel that a major hype is being created.

Indian retail players

While there has been a considerable amount of material written about the retail industry, only two players in my opinion have been in the limelight: Kishore Biyani, MD, Pantaloon and Mukesh Ambani, CMD, Reliance Industries.

Biyani's strategy for Pantaloons is to diversify, test and build. While he has the first mover's advantage in the different sub-sectors of retail, lack of specialised expertise could be Biyani's handicap. On the other





hand, Ambani's strategy is to have a foolproof blueprint for well-planned growth, and tonnes of investment. The way I look at it, the Indian market has an enormous potential for retailing. Apart from these two, there are other talented players in the market like Globus, Trent and Shoppers' Stop (with the new 100,000 sq ft mall space), who I believe have legitimate, sound and sustainable growth plans. There are areas that need attention, like the real Indian market that lies outside



urban areas. In my opinion, the player who can reach out to this 80 per cent of the untapped market will thrive the exponential growth of the Indian retail market.

FDI in retail

With India having its own culture in terms of beliefs, likes and dislikes and needs, MNCs need to work harder to sell their products here. Customisation of products and modification of strategies are the keys for MNCs to succeed in India. To understand the Indian market better, MNCs need to hire local retail gurus either by hiring or forging JVs.

Opening up of FDI in India in single-branded retailing means that we are working towards putting ourselves on the retailing world map. Wal-Mart is ready to take a huge pie. However, I believe it will be a while before we open up as an economy to all kinds of international retailing (multiple branded retailing; speciality retailing – Best Buy, Footlocker, Sunglass Hut, Staples, Office Depot and Toys R Us, to name a few).

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Several Indian retail players are expected to attain a critical mass as growth in the industry picks up momentum. This will be driven by two key factors. Firstly, availability of quality real estate and mall management practices and secondly, consumer preference for shopping in new environs.

However, it is too early to say who will survive and who won't. The key being, who is more focused and at the end of the day, who has a winning out-of-the-box business strategy in terms of marketing, pricing, product development and business module. 🇮🇳

The author is MD, 4004 Incorporated India. He can be contacted at avi@steveandbarrys.com

Steve & Barry's arm in 3 JVs

On the radar are
Bombay Rayon,
Texport Syndicate
and Kaytee Corp

Madhumita Mookerji
Kolkata

4004 Incorporated India, the global procurement hub and strategic affiliate of US retail chain Steve & Barry's University Sportswear, is looking to sign strategic apparel vending joint ventures (JVs) with three Indian companies - Bombay Rayon, Texport Syndicate and Kaytee Corp.

While Bombay Rayon has a strong presence in fashion fabrics and garments and exports to major brands in the US and Europe, Kaytee Corp is said to be one of India's largest knit garments manufacturers. Texport also has a sizeable presence among the top five garment manufacturers in the country.

Steve and Barry's University Sportswear, a lifestyle store chain in the US, retails apparels, footwear and accessories. It sources around 20 million units, mainly apparels, annually from India, which comprises around 25% of its needs. The chain will shortly start retailing cosmetics and sunglasses in the US.

Consequently, a sizeable

chunk of these will now be sourced from India. Other new product categories that will be sourced out of the country are footwear, home furnishings, plastic products and furniture.

Speaking to *DNA Money*, Avirat Sonpal, managing director, 4004 Incorporated India, said: "We expect the India operations to register a 40% year-on-year growth with a focus on joint ventures and buybacks." In fact, there are about 25-odd vendors in India, with 90% of them acting as dedicated supply units from whom 4004 Inc sources at 30% lower rates due to economies of scale.

"We have a research team that also scouts for new joint ventures. The JVs come up for review every six months," added Sonpal.

4004 Incorporated invests mainly in infrastructure and manpower in India. It is also looking to hire 200-odd people over the next two years.

Retail spin

4004 Inc India is the global procurement hub and strategic affiliate of US retail chain Steve & Barry's University Sportswear

Steve and Barry's University Sportswear retails apparels, footwear and accessories

It sources around 20 million units, mainly apparels, annually from India





JOBSmart



THE NEXT BIG STEP

Mumbai, Monday, October 2, 2006

Deciding Factor

Decision making is about taking responsibility, reacting to repercussions and may be even receiving flak. **Kavita Krishnamurthy Madiyal** asks professionals how important it is to take a call

Right from choosing the mode of transport, to the kind of food we eat, we all have to make decisions. Sometimes we mull over the matter, at other times we just go ahead and take a call. Decisions form the most important aspect of our lives. And that's the same case with managers. "That's what he is being paid for," says Raghu Raman, CEO, Mahindra Special Services Group. "Decision making is not about deciding what is right and wrong. For a manager or leader, the challenge is choosing between a right and a right decision," he adds. What is right can be a function of time. What is right now, may not be so three years hence.

For Avirat Sompal, managing director, 4004 Incorporated, India, decision making is one of the biggest skills that a manager should have. "Managers have to decide within time constraints," he explains. "Everything depends on the decision a manager takes and how fast can he handle the repercussions of his decision, if any?"

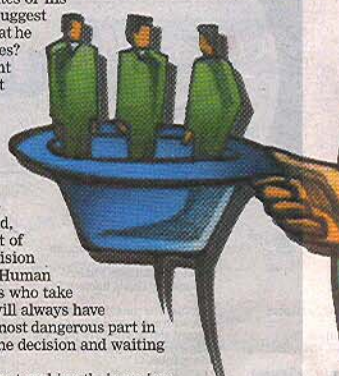
So decision making is the core function of a manager that separates him from any other worker. According to Raman, there are three categories of decision making—Decision on the basis of facts, data and records, on the basis of gut call and decisions based on commitment and clarity. "In fact based decisions, the managers are gathering information and take decisions based on this. But it's a compromise on time," he says. The second type is about taking a decision on-the-spot based on a gut call.

In the third type, there is war between commitment and clarity. If you make a commitment, then there is obvious clarity in the decision making. "But if a manager lacks clarity can he meet a commitment?" is a question he asks.

Sometimes a manager takes a decision alone, at other times he discusses with his subordinates or with his seniors. What does a manager do when his thought on a decision differs from that of his subordinates or his superiors? Should he go ahead with what his seniors suggest despite disagreement? Should he take a call and decide what he deems fit disregarding the difficulties of his subordinates? "He should take into consideration his subordinates' point of view and as far as his seniors are concerned, he must make his point clear," asserts Naresh S Sahani, MD, BMG India. "Many times there are preconceived notions while making decisions. In such a circumstance, one needs facts or data," he adds.

There are various types of decisions like strategic, operational, transactional etc. A manager should ideally look at various aspects whilst taking a decision—technical, commercial, financial, HR related, environmental. "One must take into account the impact of the decision, as this will decide the urgency of decision making," elaborates Shrikant Dikhale, vice president, Human Resources, Goodlass Nerolac Paints Limited. "Managers who take reasonably quick decisions based on proper evaluation will always have an edge over those who take an unduly long time." "The most dangerous part in decision making is about not taking what they think is the decision and waiting for an ideal decision," smiles Raman.

So how do managers take an intelligent decision without making their seniors and peers feel threatened? "I don't think there is anyway to take a decision and keep



everyone happy always," says Sompal. "And that's why there is a manager. He should be the one responsible for his decision and not the others. A manager should tell his subordinates that he will do things in a particular way as he is responsible for it."

Sahani believes that one must always take a decision based on the larger

stakeholder and make it clear to people about it. He says, "When you make a proposal you must certainly look at data and the stakeholders perspective."

In Goodlass Nerolac, decisions on all corporate strategy issues are taken by the Management Committee (MC). For example, the sensitive subject of compensation is initiated by HR but is discussed and deliberated upon by the MC members and a collective decision is taken. The firm also has a Business Analyst Team (BAT) which has senior managers as its members and who are given cross-functional assignments with a view to develop their leadership skills. Dikhale feels that the best way to work in teams is to sell one's ideas and influence others so as to get the buy-in from all team members. "Although, initially, the decision maker may not get the entire credit for the ultimate decision, he/she will, in the long run, be recognised as a collaborator and a key contributor," he explains. "If one is focused on the end-result, rather than self-projection, success is guaranteed."

There may also be times when a manager takes a decision which turns bad over a period of time. How good or bad does it play upon his image? "I don't think it will be that negative," says Sompal. "It may cause a bit of normal office gossip, but I think indecisiveness is the bigger problem and a manager should not cover it up," he adds.

"Its situational," asserts Raman. "A manager must take the best decision based on what he has." Sahani believes that one must learn from his experience. "A manager has to take responsibility. He must take the flak and as long as he does not repeat the mistake one does not have to worry," he says. "I think decision making skills are the expertise of any leader. If one shirks decisions, it shows how weak his trait as a manager is," says Sompal. "Anyone leading a team should have good decision making skills," he concludes.



Things to consider before taking a decision

- Inquiring about all possibilities
- Looking at immediate repercussions
- Examining the motivations of people suggesting something
- Priority of decision
- Circumstances under which the decision is taken
- The opinions of others
- Taking the decision at the right time
- Maintaining a balance between optimisation in a particular circumstance
- Looking at the bigger picture-What's good for the department may not be good for the company
- Facts and feelings of people
- Advocating the decision

Business India

THE MAGAZINE OF THE CORPORATE WORLD

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Beyond boundaries

The 30-year-old, **Avirat Sonpal** is the MD of 4004 Incorporated India, a global creative procurement hub and strategic affiliate of America's fastest growing retail chain, Steve and Barry's University Sportswear. Sonpal studied at the Fashion Institute of Technology, NY and comes from a family of garment exporters, so he understood the business of garment manufacturing, textile and international trade.

Sonpal says, "To compete in new age global markets, garment retail companies need to constantly increase efficiency and reach beyond corporate boundaries. Products need to be delivered worldwide to consumers, and the same need to be sourced in unfinished, semi-finished and finished stages from the world over."

Their strategy is to identify small manufacturing units in different parts of the world and develop them with productivity enhancement measures to increase productivity and standards but maintain lower prices.

Sonpal led the transformation of 4004 Inc. from a one-man office in Mumbai to a 500-people strong multinational company, providing global sourcing and retail solutions to the retail chain giant in the US. Their Indian office stands today as a nerve centre for procurement solutions and strategy operations for Steve & Barry's, USA.

The company operates several offices worldwide including India, Pakistan and China, to support procurement and supply chain activities. He envisions India as the next global destination for creative procurement and outsourcing.

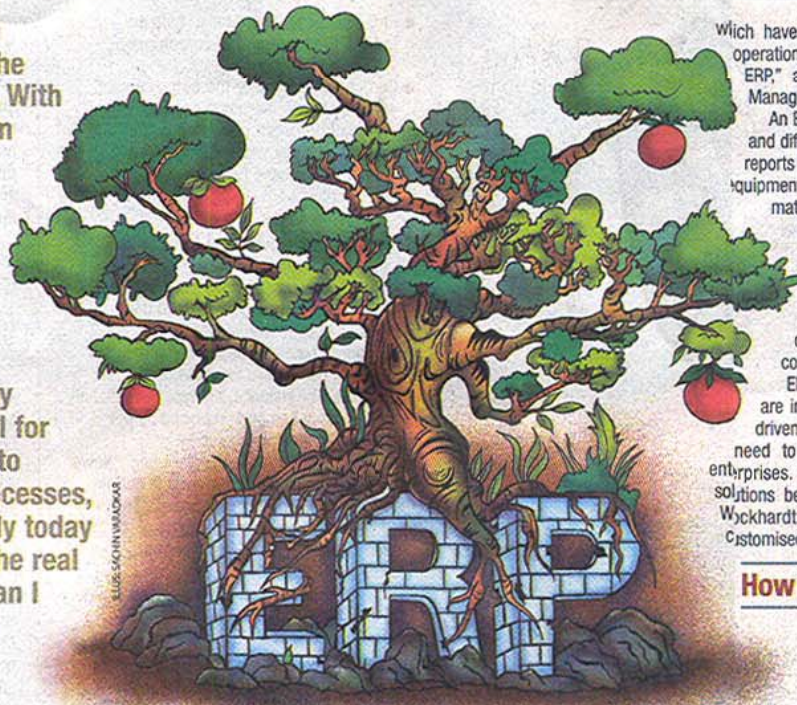
◆ MOHINI SUCHANTI

TIMES ASCENT

Potential beyond boundaries

MUMBAI • WEDNESDAY • NOVEMBER 15, 2006 • FOR ADVERTISING QUERIES CALL 022-22731991 • PAGES 16 ▶ **Change is the name of the game page 2**

The infusion of technology in business has changed how the modern enterprise functions. With growing pressure to deliver in the high-stakes, high-risk marketplace, most organisations use some or the other form of enterprise software that helps them work faster, reduce costs and be more competitive. Good 'technology architecture' is also essential for any organisation that wants to limber up and streamline processes, according to experts. "Nobody today says 'I don't want an ERP'. The real question they're asking is 'Can I handle one?'," says Anirudh Prabhakaran, COO, 3i Infotech.



Enterprise technology comes in many forms, but you have two broad choices: go with individual software to handle different tasks (e.g. one each for human resources, manufacturing, processing orders, receipts and payments, etc.)...or go for an Enterprise Resource Planning (ERP) solution that combines multiple functions in a flexible package.

ERPs Everywhere

Fundamentally, enterprise resource software works by creating a large database of information that users can draw from and contribute to. For example, an employee files a leave application on the company intranet portal. The application is automatically sent to the concerned bosses for approval, then checked against the individual's attendance record - and then sanctioned or rejected. But twenty years ago, all this would really have sapped HR's time.

Organisations today use ERPs to bring various departments (e.g. administration, payroll, inventory, etc.) onto the same platform. This is because any ERP has a number of embedded business functions that can be simultaneously run throughout the enterprise. "Organisations

takes root

Choosing the right ERP can save you headaches and help your organisation handle more tasks efficiently. Nikhil Menon tells you how

Which have several products, complex schedules and spread operations can tremendously benefit by implementation of ERP," affirms Naresh Raisinghani, CEO of Breakthrough Management Group (BMG).

An ERP can also be customised to handle different tasks and different industries. From processing invoices and filing reports to prescribing routine medication and managing the equipment during a stage show, it can bring in high 'task maturity' in the organisation. 4004 Incorporated, for example, has developed a proprietary ERP solution with the help of an in-house development team. Avirat Sonpal, Managing Director, 4004 incorporated says that this has 'eradicated several overlapping processes and put all departmental communication, both internal and external, on a common platform'.

ERPs constitute a fast-growing segment of industry and are implemented across the board and not just in profit-driven business corporations. "Today, several organisations need to implement IT solutions, including non-business enterprises. Some examples are customised Healthcare IT solutions being implemented in hospitals such as Apollo and Wockhardt. NGOs such as CRY have also implemented customised ERP solutions," Raisinghani says.

How Flexible/ Affordable?

If yours is a small or medium sized organisation, you would typically have to invest around Rs. 8-10 lakhs in a good ERP. This includes license, implementation, server and other costs. It is up to the organisation's management and IT department to conduct careful research into the package and how it will work for them, customisation required and how the organisation will take care of recurring costs incurred on updating, training, troubleshooting and integration costs (with subsequent software additions). Additionally, it is extremely important to have experienced and skilled staff at the controls.

An ERP that delivers a hundred percent is unheard of and some initial hiccups may arise before your company and staff get used to working with the new system. "We firmly believe ERP's fail primarily because people are resistant to it," Sonpal emphasises.

But the good news is that most vendors have specialised offerings for small and medium enterprises (SMEs) that are cheaper and require less time on installation and configuration.

The Great E-nabler

A good, well-oiled ERP brings together functions, reduces time gaps and asks for human intervention where required. But wouldn't it make jobs redundant? "Not necessarily," says Prabhakaran, "But it also depends on what the organisation is using the ERP for. Routine

tasks might be eliminated, but look at the bright side - it helps increase the efficiency of existing employees. This ensures that you won't have to keep adding staff as you go along."

If implemented properly, ERP can reduce cycle times, reduce inventory, improve resource utilisation, improve customer response, utilise information effectively and in turn improve profitability dramatically.

The Indian market is seeing a lot of ERP activity at present, with Public Sector Units being seen as the next big market, according to vendors. But in the long run, the future of ERPs will be determined by how many niche areas they manage to penetrate successfully and how well they address organisational needs.

nikhil.menon@timesgroup.com



JOBSmart



THE NEXT BIG STEP

Mumbai, Monday, November 20, 2006



helps employees. "It leads to increased productivity, faster decision making and less internal conflict," feels Phukan. "OE helps in developing a strategic and cultural framework to integrate vision, strategic goals, performance measures, guiding principles and competencies, leading to self-motivated employees," she says. Sonpal believes that without aligning employee functions and growth with the company's goals, OE cannot be reached. "This could result in alienating employees professionally and personally. This may develop a lacking-sense-of-achievement for the employees and it influences the firm's success," he explains.

How does OE help increase performance? "An assessment of organisational strengths and weaknesses, allows decision makers to focus on areas of improvements," says Srinivasan. "It allows organisations to measure and track progress, and improve the line-of-sight between people processes and organisational goals," he adds. For Sonpal, OE brings in structure in a systematic manner. "Because of OE, every employee knows precisely what he/ she is expected to do, and is also aware of how it is projected to impact the growth of the organisation," he asserts.

And how do companies measure OE? "At Nous, OE is measured by a continuous and dynamic tracking of the goals and objectives that are drilled down to the function and business units," says Srinivasan. "Coupled with this analysis, periodic customer and employee feedback drives also help understand and track performance and progress towards achieving the organisation's objectives." Red hat aims at creating a culture which also includes a lot of fun activities. "Fun activities act as a stress buster in the hectic work schedules," says Phukan. "Our goal is to convert each engagement to a long term relationship with our customers—both internally and externally." In 4004 Incorporated, the firm adopts a 'Key Result Area' (KRA) approach to employee effectiveness. "Here, every employee is assigned a set number of tasks that align with the company's goals. These

KRAs are re-visited on a quarterly and half-yearly basis to ensure proper execution, to identify roadblocks or hindrances if they exist," elaborates Sonpal. In Travel Port India, an HR manager interacts with the employees to help them do the job better. "And once in a month the employees are given answersheets and are asked to write what they feel about the company," says Rao. In this way, the management gets to know what the employees think and feel.

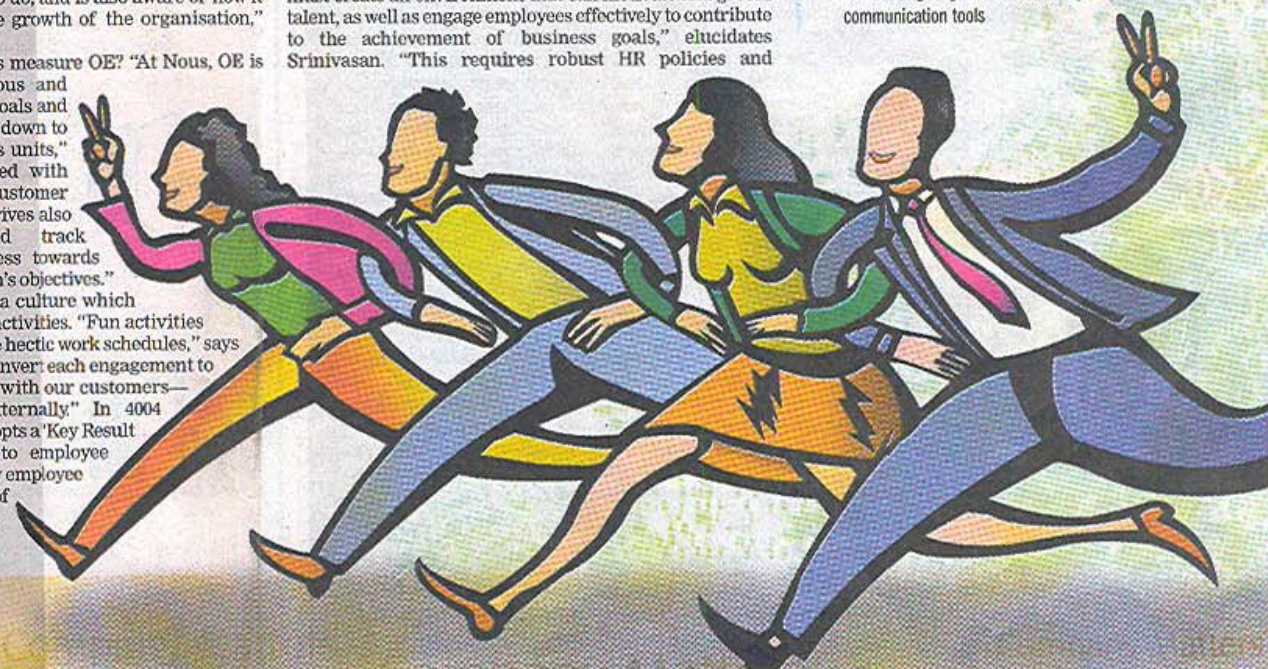
Many firms also concentrate on being internally or externally effective. "External effectiveness is perceived by business and financial success, value driven business practices, in-depth domain expertise, establishment of a brand identity and contributions to the society at large," says Srinivasan. Phukan believes that a sense of commitment and ownership to continuously deliver high standards of performance would transform all short term engagements to life-time relationships. "Customers should register the experiences as 'memories to be cherished'," she adds. "For being internally effective, an organisation must create an environment that can motivate and groom talent, as well as engage employees effectively to contribute to the achievement of business goals," elucidates Srinivasan. "This requires robust HR policies and

processes that align the efforts of people towards the goals, as well as supports them in the quest for excellence." Phukan feels that efforts for self development would ensure meeting expected results and would also build an appetite for doing things better.

"An effective organisation is one in which every employee is happy," says Rao. "There should be no fear in the organisation and everyone should be confident to talk to his senior and voice his opinion," he signs off.

Methods used by firms to measure OE

- Balanced score card,
- The Goals and Objectives method
- Customer, stake holder, and employee feedback surveys
- Evaluating the suitability of processes and practices
- Evaluation of communication and patterns of decision making
- Bell Curves systems
- Evaluation of an employee's performance
- Re-inforcing long-term vision through internal communication tools



In today's times when competition is at its peak, it's essential that the employee's goals are aligned with those of the firm's. To measure and keep this in check, firms are incorporating Organisational Effectiveness (OE). "OE is when every employee within a company is aware of the company's long and short-term goals and feels that his individual job function is positively impacting the same," explains Avirat Sonpal, managing director, 4004 Incorporated India. For Nabanita Phukan, head, HR, Red Hat India, OE is the ability to maximise results in the competitive external environment. "Maximising results is nothing but meeting customer expectations," she says. "It is the ability to serve customers successfully and tackle competition." For Manu Srinivasan, senior manager, Human Resources, Nous Info systems, Bangalore, OE is an indicator of how well or optimally the organisation's resources are utilised to achieve the firm's objectives. "It helps track, plan, forecast and strategise," he says.

According to Venkatesh Rao, CEO of Travel Port India, OE is very important for an organisation. "An organisation functions because of its people," he says. "If the firm is effective, there are better growth opportunities for its employees. They get a feeling of security and a sense of belonging and this brings out the best in them," he explains. OE signifies high performance organisations and

Company Matters

It is important for a firm to be effective internally and externally. **Kavita Krishnamurthy Madiyal** talks to professionals in the field to find out how and why they measure the effectiveness of their employees