

# Internship Report





**Internship Report**  
**On**  
**Sustainable Fashion Manufacturing and Merchandising in**  
**Dekko ISHO Group**

**Submitted by**

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ID: 203-12-719

MBA in Textile & Apparel Management and Merchandising

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

**Supervised By**

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Assistant Professor

Department of Textile Engineering

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The document submitted attempts to meet the requirements for the degree partially of **MBA in Textile and Apparel Management and Merchandising.**

**Internship Period: 2<sup>nd</sup> May 2023 to 31<sup>st</sup> July 2023**

## STUDENT'S DECLARATION

I hereby declare that I completed the internship report on **Sustainable fashion manufacturing and merchandising at Dekko ISHO Group** under the guidance of Engineer **Asit Ghosh**, Assistant Professor in the Textile Engineering Department at Daffodil International University's Faculty of Engineering. Completing the report is a prerequisite for earning an MBA from Daffodil International University's Faculty of Business and Entrepreneurship. Furthermore, we affirm that no portion of this report or any other report from our internship has ever been submitted for consideration for a degree or diploma elsewhere.



.....  
Md. Masud Kabir

ID: 203-12-719

Program: Executive MBA

Major: Textile & Apparel Management & Merchandising.

Department of Business Administration.

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## LETTER OF TRANSMITTAL

To  
Engr. Asit Ghosh  
Assistant Professor  
Department of Business Administration  
Daffodil International University

### **Subject: Internship Report Submission**

Dear Sir,

With great pleasure, I report that I have successfully finished my internship program in **“Sustainable Fashion Manufacturing and Merchandising at the "Dekko ISHO Group.”**

Undertaking such a study has been a unique experience. Additionally, I had the chance to broaden my knowledge by getting to know the practice, which will benefit me in my profession. I've made every effort to ensure that this report is educational. But even with my best efforts, the report might still improve in a few areas. I sincerely hope and pray that the errors will be overlooked. My findings and lessons from my investigation are summarized in this report. I've worked hard to learn the necessary questionnaires, different kinds of paperwork, and useful techniques that will aid in the preparation of my internship report. Due to the brief internship period and some internal industry standards, there is a possibility that my report contains errors. Please consider me & accept my internship report.

Lastly, I would appreciate your giving your judicious advice on the effort. Your nice co-operation is highly appreciated.

Thanking you.

Sincerely yours



.....  
Md. Masud Kabir

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Program: Executive MBA

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Daffodil International University

## LETTER OF APPROVAL

15<sup>th</sup> August 2023

To  
The Head of the Department  
Department of Business Administration  
Daffodil International University


Subject: Approval of Internship Report for MBA(Executive) Program.

Dear Sir,

This correspondence shows that student Md wrote the Sustainable Fashion Manufacturing and Merchandising report for the Dekko ISHO Group. ID: 203-12-719 for Masud Kabir's final assessment. The entire piece was developed based on accurate research and data from the Dekko ISHO Group. The intern participated actively in the activities related to their internship report.

Kindly accept this industrial attachment report and take it into consideration for your final assessment.

Yours Sincerely



.....  
**Engr. Asit Ghosh**

Assistant Professor  
Department of Textile Engineering  
Faculty of Engineering  
Daffodil International University

## ACKNOWLEDGEMENT

Our sincere gratitude to Almighty Allah for his gracious grace in helping us successfully complete this internship report comes first.

I would like to express my gratitude to our esteemed course instructor and supervisor, **Engineer Asit Ghosh**, Assistant Professor, Department of Textile Engineering, Faculty of Engineering, Daffodil International University, for all of his support and encouragement as I worked on my internship report. His instructions and guidance are greatly appreciated. I also want to express my gratitude to our esteemed dean, Professor **Dr. Mohammed Masum Iqbal** of the Daffodil International University's Department of Business Administration, Faculty of Business & Entrepreneurship, for his enthusiastic support and cooperation.

My sincere gratitude goes out to **Shahid Hossain**, the chairman of the Dekko ISHO group; **M. Farhad Khan**, the assistant general manager of marketing and merchandising; **A.K.M. Akhteruzzaman**, the manager of merchandising; and all of my other colleagues who have inspired me greatly and helped make this report a success. We greatly benefited from their advice, ideas, and motivation.

## Catalog of Abbreviations /Acronyms

<b>DITECH</b>	Dekko Isho Technologies
<b>BGMEA</b>	Bangladesh Garment Manufacturers and Exporters Association
<b>ILO</b>	The International Labor Organization
<b>REACH</b>	The registration, evaluation, authorization, and restriction of chemicals.
<b>RMG</b>	Readymade Garment
<b>WHO</b>	World Health Organization
<b>Ref</b>	Reference
<b>WRAP</b>	Worldwide Responsible Accredited Production
<b>CTPAT</b>	Customs-Trade Partnership Against Terrorism
<b>CRP</b>	Rehabilitation of the Paralyzed
<b>EAN</b>	International Article Number
<b>EDI</b>	Electronic data interchange
<b>L/C</b>	Letter of Credit
<b>CM</b>	Cost of Making
<b>MOQ</b>	Minimum Order Quantity
<b>GSM</b>	Grams per Square meter
<b>FOB</b>	Free on Board (FOB)
<b>DGL</b>	Dekko Garments Ltd.
<b>PO</b>	Purchase Order
<b>SMV</b>	Standard Minute Value.

## Executive summary

Completing the internship program is required for the post-graduation MBA in Textile and Apparel Management and Merchandising. Discussions in class alone cannot prepare students for real-world business situations; this program offers them the chance to learn about professional work environments. Creating a report for the organization's and university's needs is necessary.

The report's primary goal becomes abundantly evident. The Dekko ISHO Group holds a prominent position in Bangladesh's apparel industry. I have a fantastic opportunity to do my internship with this company. Large and equipped with all the amenities is this factory. The production process starts with designing sample clothes for various brands and ends with finished goods that are sent. Bangladesh is thriving in the RMG industry these days, and this segment has contributed greatly to it. The sources of apparel garments determine the apparel sector's yearly export revenue. Ready-made clothing is solely focused on exports. RMG

exports a range of clothing items to overseas markets. For the United States, United Kingdom, Canada, and European countries, the company produces men's shirts, pants, jackets, safety gear, shorts, sportswear, and other items. They create high-quality clothing items with sophisticated machinery.

They expand their production line by incorporating additional machinery. Their goal is to maximize profits, and that is their objective. The apparel business keeps positive connections with consumers. Their primary tactic is diligent and focused upkeep. The merchandising crew is competent and reasonably efficient at what they do. Sibling worries exist for Dekko ISHO. They are Roxy Paint, DITECH, DIVC, ISHO, IZAKAYA, KLUBHOUS, Dekko Garments Ltd., Dekko Ready Ware Ltd., Dekko Fashion Ltd., Dekko Apparel Ltd., Agami Fashion Ltd., and Agami Wash Ltd. We attempted to provide a brief overview of Dekko's RMG division, its principal clients, and its various operations in this study.



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# Section 1

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# Structure of the Research

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## 1.1 Overview

Bangladesh places great importance on the RMG (Ready Made Garment) sector. Since 1978, Bangladesh has grown to be a significant player in the ready-to-wear industry. Around 85% of Bangladesh's export revenue is generated by textile and apparel, of which 75% is derived from the garment industry. This industry includes significant items such as knit and woven shirts, blouses, trousers, skirts, shorts, jackets, sweaters, sportswear, and several other stylish and casual ensembles. About 3.6 million people work in this industry, most female and come from lower socioeconomic backgrounds.

## 1.2 Context of the Research

I prepared my internship report on Dekko Garments Ltd. and currently work as a Senior Merchandiser in the 100% export-oriented woven garments business under the Dekko ISHO group. I have read nearly every component in order to continue my internship studies at Dekko ISHO Group. This has allowed me to comprehensively understand the organization's operations, including planning, activities, and other details.

## 1.3 Relevance of the Research

I have finished this report, including input from the RMG sector's merchandising, production, technical, human resources, and compliance departments. We gained insight into the RMG industry by finishing this paper, which improved our practical understanding of this area. We have purposefully discussed these topics in this context to inform you about them.

## 1.4 The aim of the research

The following aims are the focus of this report:

- ❖ Having a practical understanding of the RMG industry.
- ❖ To learn more about RMG's current production method.
- ❖ To draw comparisons between learning in the classroom and real-world learning.
- ❖ To be aware of the work environment in clothing manufacturers.
- ❖ To understand foreign buyers' ordering process and dealings with our country.
- ❖ To know about the apparel industry's technical and management processes.
- ❖ To know about the procedures for ensuring product quality.
- ❖ To research today's competitive landscape, growth, accomplishments, and state of the RMG product market.
- ❖ To be informed about the upkeep procedure and compliance issues with clothing.

## 1.5 Approach to the Research

The research processes and methods that we follow are outlined in the methodology. The procedures for completing the report and an explanation of the data sources are provided here.

- ❖ Factory
- ❖ Group Discussion
- ❖ Internet Class
- ❖ Lecture
- ❖ Library
- ❖ Annual report

## 1.6 Restrictions on the Research

Even though the Dekko Garments Ltd. staff gave us their full cooperation and support, we still encountered many difficulties finishing the study. It isn't easy to enter every department to obtain information for us because each has a secret operating procedure and plan. Because of the epidemic, we also had to abide by some limits.

## 1.7 The difficulties encountered in compiling this report

- ❖ I did not obtain current information regarding the industry.
- ❖ One of the main challenges to completing the job in the allotted period is time constraints.
- ❖ A portion of the data and information are incredibly private for any business. They could not reveal for evident reasons, which may have been highly beneficial.





## Section 2

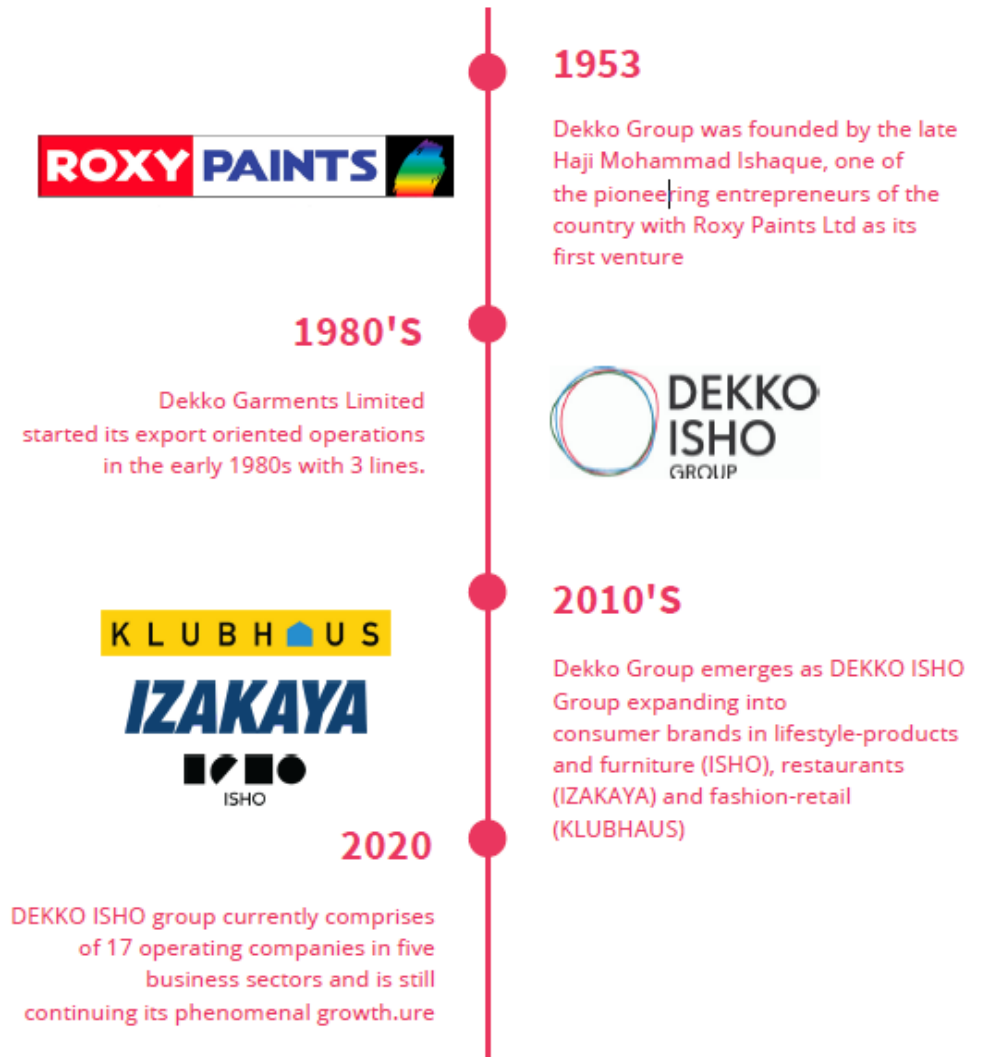
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# Concerning the Dekko ISHO Group

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## 2.1 Highlights

Dekko Group has dedicated itself to producing exceptional, reliable outcomes since the 1950s through the use of solid belief portfolios, meticulous research, and personal accountability.





## 2.2 Leadership

### MD SHAHID HOSSAIN

#### Chairman

As a Dhaka University master's student, Mr. Shahid began to contribute to the company. He had a significant role in the group's extraordinary increase. Being creative, driven, and a leader is Mr. Shahid's best qualities. Challenges, especially ones that broaden the company's horizons, propel him forward. Aside from his remarkable attention to detail, he is also famously giving, fiercely competitive, composed under pressure, and willing to make difficult choices. Developing partnerships rather than merely clients is his belief. It takes more than a one-time transaction to sustain our connections with our partners. The Dekko Group has become well-known now because of Mr. Shahid's astute and broad business sense. The successful expansion of Dekko Isho Group into high-potential areas in Bangladesh and outside is expected to be fueled by his leadership.



### RAYANA HOSSAIN

#### Director

According to Rayana Hossain, design ought to permeate every aspect of a company. Her experience at Harvard University solidified her commitment to putting design and creativity first to improve systems and spur innovation. She used her extensive knowledge and expertise in design to the well-established businesses of the Dekko Isho Group, driven by curiosity and determination. Since then, the company has made some audacious bets and entered areas focused on innovation, much like its innovative beginnings in the paint and clothing industries. Rayana has ventured into the lifestyle market by launching the retail clothes brand Klubhaus, the Izakaya restaurant, and the ISHO furniture manufacturing brand. The nation's first and only furniture e-commerce portal, ISHO, was established in 2017 and launched its first physical location in 2019. To create the most beneficial user experience possible, ISHO embraces design's collaborative and cultural aspect while adhering to the principle of cumulative knowledge accumulation and adapting to changing consumer needs.



## 2.3 DEKKO GARMENTS LIMITED

Dekko Group's involvement in the garments industry dates back to the early 80s when Bangladesh became the world's 2<sup>nd</sup> largest exporter of RMG.

The apparel divisions within the company have gained extensive industry experience and top-notch skills. Because of this, we are now very competitive while still being dedicated to upholding worker welfare and creating cutting-edge, sustainable solutions.

Our six independent garment factories have state-of-the-art floor lines, producing shirts, jackets, and women's and children's activewear. We employ approximately 11,500 workers, of whom around 7,250 (63%) are women. Completed in 2019, Dekko Garments Ltd.'s new flagship manufacturing unit is the Green Factory.



## 2.4 THE GREEN FACTORY

Dekko Garments Ltd Flagship Green Factory is a high-tech garments manufacturing unit with integrated cutting, sewing, and finishing processes. The facility spans 400,000 square feet (over 3,700 square meters) and is in Gazipur, Bangladesh.

The factory was designed to meet and exceed local and international standards and has acquired the LEED Gold green building certification. This facility saves 1 million kWh annually (which works out to approximately USD 100,000 in savings annually) and reduces our carbon footprint by over 830 metric tons annually.



**DEKKO ISHO GROUP**

**World Environment Day**

Let's work together to ensure  
**Cleaner, Greener and Sustainable Living**  
in harmony with nature

Dekko Garments Ltd in Mawna, Gazipur is the LEED gold certified green factory and the largest production unit of Dekko ISHO Group established on environment friendly specifications.

Dekko ISHO Group promotes energy efficient factory operation and hazardous chemical free production in all its units.

## 2.5 GREEN FACTORY

### MANUFACTURING CAPACITY



#### Woven Tops

19 Lines For Woven Top's  
400,000 Pieces  
Production Capacity Per Month



#### Woven Bottom

23 Lines For Woven Bottom's  
600,000 Pieces  
Production Capacity Per Month



#### Total Capacity

Total 42 Production Lines  
1,000,000 Pieces  
Production Capacity Per Month



## 2.6 Factory Profile

### Dekko Garments Ltd.

1. Factory Name: Dekko Garments Ltd.
2. Owner's Name: M. Shahid Hossain, Chairman.
3. Location/ Address: Mawna, Sreepur, Gazipur.
4. Phone / Fax No. +88029133045, 9122916. Fax: - +88029132853
5. Head office Address: Suvastu Zenim Plaza, House # 37, Road # 16, (Old# 27 Dhanmondi R/A, Dhaka-1209, Bangladesh.
6. Phone / Fax No.+88029133045, 9122916. Fax: - +88029132853
7. Contact Person: Farid Ahmed, General Manager. Cell # 01841297316, e-mail: [farid.dgl@dekkoisho.com](mailto:farid.dgl@dekkoisho.com)
8. Contact Person- Compliance: Arif Hasan Jony, AGM, HR & Compliance., Cell # 01841297256, e-mail: [arif.dgl@dekkoisho.com](mailto:arif.dgl@dekkoisho.com)
9. Marketing/ Liaison Office: Suvastu Zenim Plaza, House # 37, Road # 16, (Old# 27 Dhanmondi R/A, Dhaka-1209, Bangladesh.
10. Contact Person- Marketing: Alamin Sarker Reza, Executive Director. Cell # 01841297600, e-mail: [reza@dekkoisho.com](mailto:reza@dekkoisho.com)
11. Phone No. +88029133045, 9122916.
12. Distance from the Airport: 45 Km.
13. Year of establishment: 2018
14. Factory Type: Woven Garments (Tops and Bottoms).
15. Factory space: Total 4,56,697 SFT.
16. Production area: Total 2,79,737 SFT.
17. Total worker Strength: Total: - 4560 Male: -2156 Female: - 2414
18. Seating capacity of the dining area: 1100
19. No. Of Production lines: 18 lines for Tops & 20 lines for Bottoms. Total: 38 lines with 01 SMS line. (May increase in future up to 44 lines)
20. Products: Men's Shirt and Trousers, Ladies' Blouse and Trousers, Boys' Shirt and Trousers.
21. Production Capacity: Tops: 500,000 Pcs /Month & Bottoms: 600,000 Pcs/Month.
22. Main Buyers: Tommy Hilfiger, Ralph Lauren, Tom Tailor, ZARA, KIABI, Varner, Gina Tricot, KOHL'S, Bestseller.

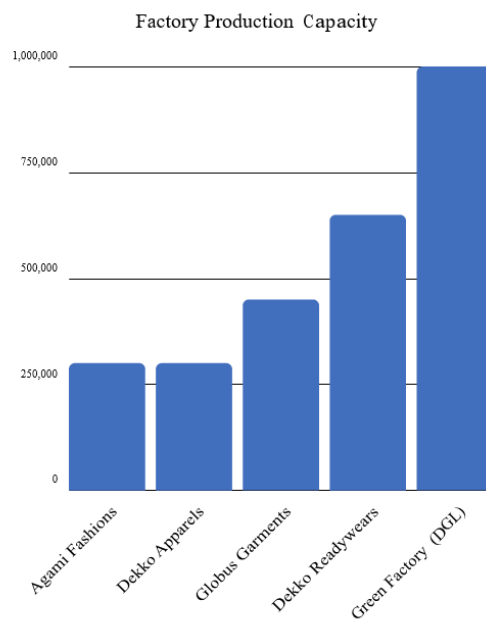
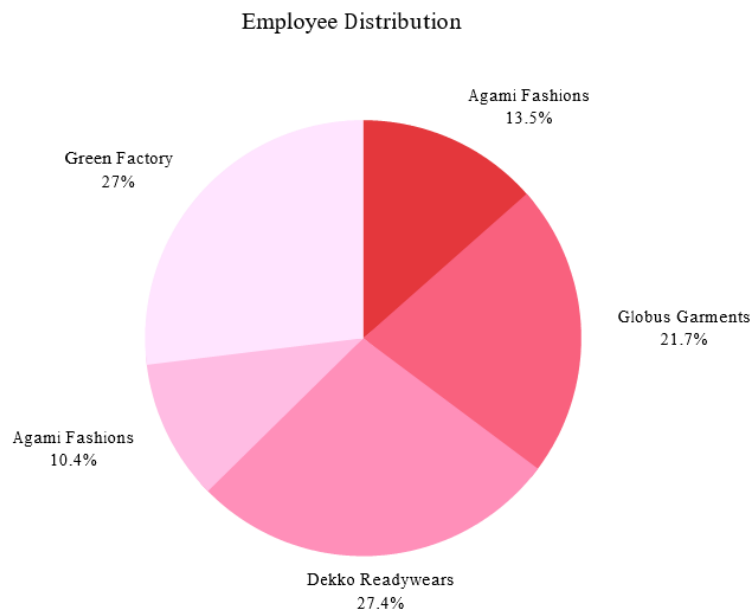
23. Buyers name with % of production: Tommy Hilfiger – 15%, Ralph Lauren – 12% , ZARA – 10%, Tom Tailor – 10%, KIABI – 15%, Varner – 15%, KOHL’S – 5%, Others – 18%.
24. Weekly Holiday: Friday
25. No of working shifts: 1
26. Working hours: 8 am to 5 pm
27. Lunch time: 1 hour
28. Pay period: 1st to end month
29. Payment Date: Within seven working days of the next month
30. Production process: Cutting, Sewing, Finishing, and packing.
31. No of the building of the factory: 7 Buildings & 2 shed
32. Number of staircases: 20
33. Business %: Europe: - 60% and others 40%
34. Total Machinery: Sewing – 2658, Others – 347. Total: 3005
35. Export Market: USA, Europe, Japan & India.
36. Traveling time from airport to factory: 2 Hours.



## 2.7 DEKKO STRENGTH:

### DEKKO EMPLOYEES

With over 11,500 workers, Dekko ISHO group's garments manufacturing operations are considered top players in the Bangladesh RMG Sector. Over 7,100 of the workers employed are women, and we believe that it is vital to empower them through high-quality training and engagement in progressive, forward-looking social development practices.



## 2.8 CERTIFICATIONS AND MEMBERSHIPS





## 2.9 DEKKO'S PARTNERS



## 2.10 COMPLIANCE

Compliant and sustainable growth is a principle that the management at Dekko ISHO actively promotes. We use only REACH-compliant premium raw materials. Dekko ISHO Limited sources most of its raw materials from environmentally compliant sourcing factories that have earned ISO 14001:2004 certification. Internal and external audits are conducted regularly, and the management is strict about all compliance matters.

Dekko also has extensive rules about Safety and Occupational Health. We have first aid kits, plenty of firefighting supplies and exits, filtered drinking water facilities in the manufacturing floor and daycare centers, and we closely adhere to government building codes. Additionally, specific laws are in place to guarantee that protective gear is used in areas with health risks.

In addition to adhering closely to ILO requirements, Dekko ISHO offers its employees group insurance and provident fund services.

Dekko ISHO also has the Worldwide Responsible Accredited Production (WRAP) certification further illustrates our dedication to promoting safe, lawful, humane, and ethical manufacturing. In conjunction with the Customs-Trade Partnership Against Terrorism (CTPAT) certification, this shows Dekko ISHO's commitment to becoming a model global corporate citizen.



## 2.11 CORPORATE SOCIAL RESPONSIBILITY

Dekko ISHO strongly believes in the value that our CSR activities bring to our workers. We seek to create the optimal value in all our relationships. Our vision of success goes beyond just our products and profits; we strive to make a meaningful positive impact on the community that enables us to thrive in the first place. A few of our highly successful CSR programs are as follows:

- Rehabilitation Of Physically Challenged Workers Program with CRP-Bangladesh
- Promoting Adult Education for Illiterate Workers.
- Sponsoring Pre-primary Education Program jointly with BRAC & UNICEF
- Dedicated & Fully Facilitated Day-care Centre for Employee’s Children at each Manufacturing Unit
- Free Medical Treatment: We are providing free medical treatment for Employees and Children free of cost.
- Yearly Cultural Program (Picnic, Sports, and Musical Festival).
- Fair-priced Shop “Asta” for the workers: Employees can buy each good at wholesale price, which is considerably cheaper than retail prices, allowing employees to access high-quality essentials at affordable prices.



## 2.11 AREAS OF FUTURE COLLABORATION

Dekko ISHO is very interested in expanding our operations across new and exciting sectors and markets and upgrading and building upon existing competencies and success stories. To that end, we are very excited about possible areas of collaboration, primarily in the following areas of interest.

- Competitive and innovative funding opportunities for investment in sustainable technology, energy efficiency, and carbon footprint reduction infrastructure
- Refinancing options for existing investment in green technology infrastructure
- Expansion of CSR operations and engaging new partners in positive social development and change
- Finding partners in recycling the production byproducts (plastic, metal, fabric, etc.) to move towards a closed-loop value chain.

## 2.13 CONTACT

Email: [info@dekkoisho.com](mailto:info@dekkoisho.com)

Phone: +88 02 9132-934/-944

Corporate Office: Suvastu Zenim Plaza House # 37 (4th Floor), Road # 16 (Old 27),

R/A Dhanmondi, Dhaka-1209.





## Section 3

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# Sustainable Fashion Manufacturing and Merchandising

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### 3.0 Department of Merchandising

One word that derives from "merchandising" is merchandise. Trading in commodities or items is known as merchandise. Merchandising is a division within the clothing and apparel industry that mediates between sales and development divisions. These business categories are supported and upheld by the policies, practices, and initiatives in place. The process of organizing all necessary raw materials is called merchandising.

#### 3.1 Goals for Merchandising

Merchandising's two main goals are:

1. Purchase and store the people's anticipated merchandise.
2. Achieve the company's objectives, such as income, growth, etc., by selling stock. Purchasing or holding onto products or inventories for sale is a straightforward merchandising tactic that benefits customers and businesses.

#### 3.2 Merchandiser's attributes

- Proficiency in English and a wealth of technical knowledge are essential for accurate and efficient communication.
- Capacity to comfort clients
- Capacity to collaborate with teammates
- Excellent understanding of fiber, yarn, fabric, printing, painting, dyes, color fastness, and textile manufacture, among other topics.
- Development of the typical possible quality problems in textile manufacturing efficiently.
- Great knowledge

#### 3.3 Principal Duties of a Merchandiser

- Internal & International Communications
- Preparation of internal order sheets
- Preparation of purchase orders
- Calculation of yarn usage
- Advising and supporting the production and quality department
- Calculation of costs
- Responsibility for audits

- Provision of delivery directions and subsequent shipment.

### 3.4 A Quick Overview of Merchandising Work:

#### First Task-

1. Compiling and elucidating the objectives and samples of the buyer for new developments.
2. Arrange the necessary raw materials and discuss the new development target with the sample section.
3. Examine the software sample before sending it to the buyer.
4. Calculating accurate costs for all new projects and haggling over orders and prices with suppliers.



#### Second Task-

1. Update the reservation space once the order has been authenticated.
2. Render TNA & BUDGET for the order confirmed and conduct the order on this basis.
3. Confirm the reservation to the manufacturer of Greige Yarn.
4. Make a list of material checks and regularly check for order processing.

5. Yarn and accessory reservations are made on time for confirmed orders.
6. Follow up to complete all paperwork clearance by following up with the commercial department.
7. Following the goods' in-houses
  - I. Examine the stock
  - II. If any shortages need to be reported to the supplier.
  - III. EOLBREAK- Verify the yarn's dye lot and submit it to the buyer for approval (if needed)- Verify the acc Color
8. Quality: If required, submit the bulk quality for approval to the buyer before starting production
  - I. Obtain the salesperson's approval for the trim card.
  - II. Produce the output file.
  - III. Examine every last confirmation, approval, and stock.
9. Follow-up on production
  - I. Draft a development timeline and let the buyer know. I don't ask. Arrange for meeting with PP explain the condition of the purchaser.
  - II. Verify the production report every day and let the buyer know.
  - III. Schedule an in-line review and discuss if the buyer's remarks are being followed with the manufacturing floor.
  - IV. Completed inspection plans.
10. Shipment monitoring
  - I. Check the export office's dox delivery.
  - II. Look up the product distribution document with the export division
  - III. Request payment after the shipment.
11. Consult with buyers regarding any recurring orders and, if required, get sales data for any style.

### 3.5 Merchandiser's Roles

- Coordination with other departments
- Generation, Implementation, and Market Management
- Understanding the value of working in a team
- Helping the company to achieve its goals
- Helping to fulfill customers ' expectations



- Representing buyers and transmitting messages to and from

### **3.6 Merchandisers' Difficulties**

- Systems for supporting decisions
- Instantaneous Merchandising
- Sensitive Production
- The merging of functions
- Relationship of partnership
- Hearing and financial viewpoint
- Internal and external relationships within companies

### **3.7 Management of Merchandising**

Merchandising management involves a merchant choosing what products to stock, how much to have on hand to meet customer demand, where to display them in the store to increase foot traffic, and how much to charge for them to make the most money. The goal of merchandise management extends beyond simply making sure their offerings meet the expectations of their clients. Along with being able to trace their inventories from when they are bought from manufacturers to when a consumer makes a purchase, they also need to be able to arrange and manage their inventory. All products need to be handled and stored carefully in the store to make it easy for customers to find what they want and easy to judge when the moment is appropriate.

### **3.8 Interdepartmental relationships and merchandise**

The operation of a production system for export houses or clothing involves a merchant significantly. A merchandiser must work in a factory with all divisions, just like a human body's blood must follow specific laws. The primary departments of the factory that the merchant closely collaborates with are depicted in the diagram below.

### **3.9 Promoting & Merchandising**

- Marketing functions on a group or corporate level inside the organization. Merchandising deals with the products at the retail level.
- Through marketing, a business promotes itself. A brand is presented in the retail industry through merchandising.

Marketing incentivizes Customers to purchase the company's products, which establishes a sense of brand and business.

### **3.10 Merchandising is built on communication**

Before manufacturing export orders, only the buyer and merchandiser communicate via a communication process to exchange information, queries, and export details. Customers express their needs and expectations to merchandisers through the presentation of general manuals and design-specific papers like Specification Papers, Bills of Materials, specifications, etc. A merchandiser deals with a range of individuals: existing clients for order follow-up, prospective new customers, departments such as production, pricing, inventory, accounts, delivery, etc., for order execution, suppliers for purchasing fabrics and accessories, and subordinates for appropriate direction and instructions. Retail.



### **3.11 Communication Channels**

Fashion merchandising uses a variety of communication channels to interact with suppliers and buyers.

- I. Talking on the phone
- II. Online correspondence
- III. Courier
- IV. Meeting via video
- V. Official gatherings
- VI. Prototyping virtually
- VII. Electronic sharing of data

### 3.12 Bargaining with Purchasers

Getting the order to export clothing is the most critical task. Potential garment importers, also known as garment buyers, are typically the source of fabric export orders. Anybody who wishes to obtain clothing export orders has to be able to convince the customer. Once the buyer is convinced of the wardrobe's quality, pricing, production, and ability to be shipped to a wardrobe exporter, the business deal may be hazardous if there is a lack of mutual trust between the exporter and the buyer. Assume a clothing exporter can satisfactorily deal with two or three buyers regularly. In that scenario, ensuring the seamless operation of the apparel production and export operations all year will be adequate. Successful negotiating outcomes typically result from a straightforward method rather than luck. The approach reflects varying degrees of expertise about the negotiation in the apparel industry. In a negotiation, each side tries to convince the other to agree with its position. Participants gain much knowledge about themselves and, naturally, about the other groups.



The rationale behind negotiations in merchandise:

- Should it be necessary to reduce the cost or raise the product's price
- If you would like to get an order from a buyer or make a supplier order
- Should the production and shipping plan require adjustments

- If you require the product selling price for mutual benefit or need to create a cost sheet
- If the terms and conditions for payment need to be lucrative and agreeable to both parties, etc.

### **The Fundamentals of Negotiation:**

The fundamental idea of negotiation is to "trade what is of greater value to the other party, but of low value to one party, thereby reducing the 'cost' of successful tone party." It is essential to realize that a negotiation is adequate if all sides gain from the resolution.

### **Overview of the Negotiation Process-**

1. Needs to be sufficiently aware of both parties' needs
2. Retailers need to make sure they are ready for the negotiation.
3. Go over the proposal.
4. More conversation
5. Completed or updated offer
6. Reaching a consensus

## **3.13 Handling of Order Processing**

After receiving the fabric export order, merchandisers must promptly create a schedule for the tasks that must be completed to ensure the export order is carried out safely.

- Detailed examination of the export L/C
- Developing a Timetable for the Export Letter of Credit
- Gathering fabric and accessories for the garment that will be exported (source, amount, cost, receiving information, quantity quality, item inspection, etc.).
- The division of duties and responsibilities
- Development Strategy
- Examining the manufactured clothing for quantity, quality, packaging, and additional customer needs.
- Preparing the necessary paperwork for shipping and banking
- Constant advancement in follow-up
- Some other

### 3.14 Pricing Estimation

The main element of every clothing merchandising operation is cost. The procedures will be straightforward once the apparel merchandiser has a stable order price. I split the cost of sweater clothing because it's crucial to merchandise clothing here.

#### Metrics for Clothing Cost Calculation-

A merchandiser of sweater clothing should make sure the following things are true before pricing the clothing:

- Cost of Yarn per pound
- Cost of Embroidery per dozen
- The cost of printing a dozen
- Each dozen, the cost of making (CM)
- The cost of washing a dozen
- The cost of accessories such as zippers and buttons
- The cost of a commercial dozen.
- Others Are Priced Per Dozen
- The next step for a sweater garment merchant is to determine the yarn's price and intended purpose.
- The following formula can be used to determine the value of yarn: = [(Weight of garments in pounds per dozen) + % of waste] [Yarn cost per pound]
- Usually, we add 10–20% waste, depending on the style.
- All other necessary expenses must be included in the total cost of the yarn after the yarn's pricing.

### 3.15 Development of Merchandising Partial to the Goals of the Buyer

#### The Offer sample

The manufacturer's sold designs or concepts are shown via offer samples. The details, fitment, and performance may all be altered. Property rights, for instance, ought to be safeguarded.

#### Sample-1:

The first sample is created by the drawing criteria, sample sequence, and sample comments.

#### Sample-2:

It might be required if the initial sample was too distant from what was needed.

**Sample of sales:**

The first or second test results are used to create sales samples. Perfect, high quality, excellent fit. All information must be accurate. Having the proper tags, trimming, and accessories is crucial. An EAN code version is required for every sample striker.

**Sample of approval:**

After the sales meetings, we could require some adjustments. Before placing the order and starting the production planning, we will review the design, fitting, and details again and might even ask for an approval test.

**Sample of Size set:**

The purpose of size set samples is to ensure the style fits the product design department by providing specimens in a range of sizes for the measuring chart. Size sets, primarily utilized to fit varying lengths, can be created in readily available fabric nearly of the approved grade.



**The PP sample:**

A test known as pre-production ensures that everyone is on the same page about the manufacturing design. The style, layout, labels, and trimmings should all be precisely accurate based on the plan.

**The Shipment sample:**

A check was taken from the bulk production rather than being manufactured in the check room to ensure the production was made per our specifications. There is no way to modify the theme at this time. If possible, please provide examples of the several color combinations and sizes indicated in the order.

**The Photoshoot sample:**

Our primary customers and online selling organizations require picture examples before shipping the order.

**3.16 The merchandiser's component of buyer preference**

- Have to act decently, behave well, and speak clearly and concisely.
- Integrity and punctuality are essential.
- The RMG sector and industry should be well-versed in.
- Good group leaders and interactions in community-wise tasks are also required.
- Excellent sales presentation

**3.17 Merchandiser's element of dislike among buyers**

- Inadequate time management techniques
- Insufficient knowledge of the RMG industry and sector
- Ineffective communication abilities and subpar group performance

**3.18 Records that must be kept up to date by the merchandiser****Credit letter (L/C):**

A documentary loan or banker's commercial credit is also represented by a credit letter (LC). It is a payment mechanism used in international trade to give an exporter of goods an economic assurance from a bank that is deemed creditworthy. In situations when it is difficult to determine the quality of contractual parties with certainty, letters of credit are frequently

utilized in international trade finance. The economic effect is establishing a bank as an underwriter and taking on the buyer's credit risk to pay the seller for goods.

**L/C back-to-back:**

Two credit letters (LCs) used to make a payment jointly comprise a back-to-back credit letter (BCBL). When a vendor has to purchase the products they will sell to their buyer as part of the deal, or when there is an intermediary between the buyer and the seller, like a broker, a back-to-back credit letter is usually utilized.

**Order of production (PO):**

A production order should suit each buyer's style and contain all the information required for the PPC department to create a line loading plan. The definition of the number of types and models, dimensions, order amount, the quantity for each kind, fabric use, interlining and trim specifications, packaging instructions, tag specifications, etc., are all included in the manufacturing order.

**Materials list (BOM):**

One way to determine the necessary fabrics and trims would be to multiply the quantity of shirts the PO produces for a particular product. A bill of materials listing the required amounts is given for various trims, including buttons, zippers, cuff links, and sewing threads. The store receives the BOM to determine the appropriate amount of frames.

**Technical pack/specification sheet:**

This form is essential to the execution of any order. It includes every piece of technical data regarding the item's particular style, including facts about the interlining, fabric, tolerances, and style processing. It gives the information that is needed for many departments. For papers from the cutting department, for instance, those about marker usage and preparation.

**Report on order status:**

Senior merchandisers oversee an Excel spreadsheet in this order status report that reviews both models and their various actions. As a result, they could quickly monitor the development of a particular style.

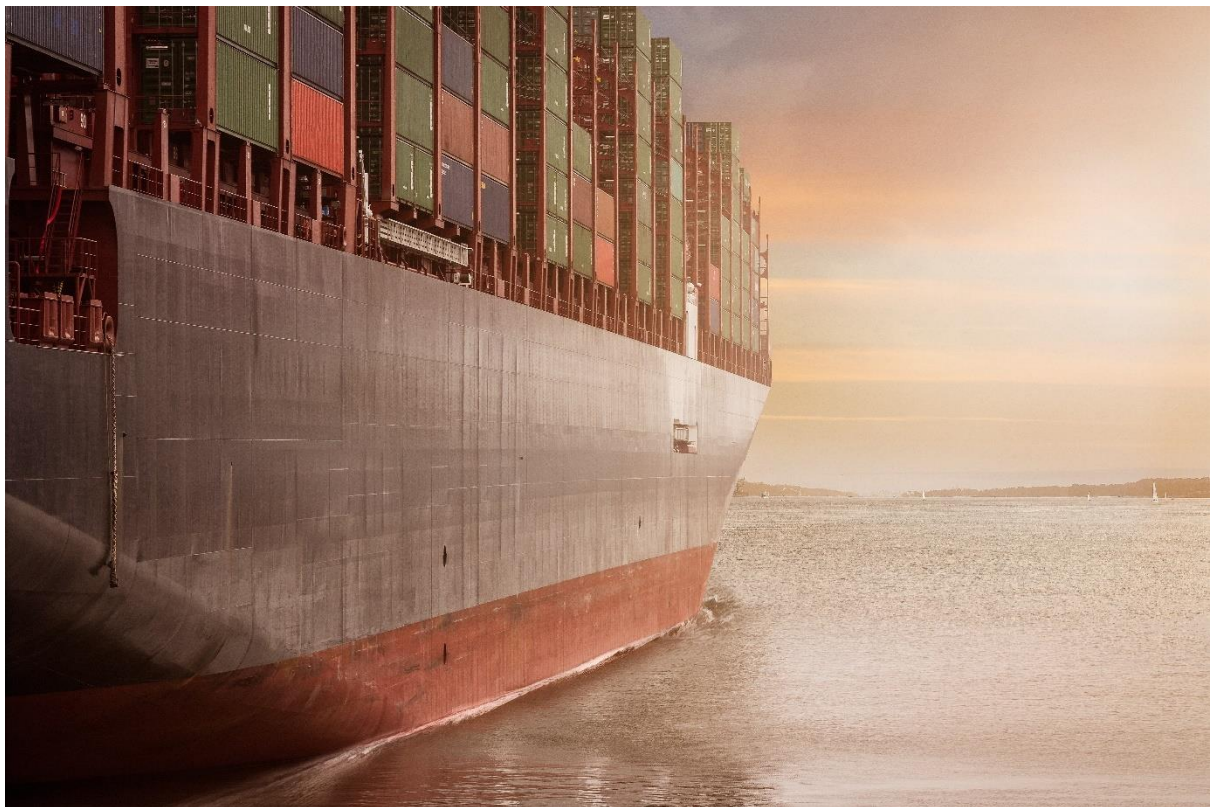


**Free on Board, or FOB**

It is meant to imply "On Board Free." Until the products have gone through the ship's rail at the shipping port, the manufacturer is responsible for all costs and liabilities (including export licensing, export taxes, etc.); the goods must be approved for export. Immediately once the commodities pass the ship's railway, the buyer contracts for the items pay for them, and assumes all liability for loss or damage.

**Airport FOB (FOA)**

Except that the means of transportation is an air carrier, this concept is comparable to the FOB definition. He meets his duties when the manufacturer delivers the products to the air carrier. The products must be approved for export by the supplier.



A close-up photograph of a person's hands adjusting a black necktie on a mannequin. The mannequin is wearing a white dress shirt. The background is a blurred clothing store with various garments hanging on racks. The text 'Section 4' is overlaid in white on the right side of the image.

## Section 4

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# Costing Methodology of Dekko ISHO Group (Garments Unit)

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## **4.0. Analyzing costs:**

### **4.1) Costs of Garments**

Clothing costing is a handy tool for budgeting and establishing benchmarks for efficiency calculations. Utilizing scarce resources is aided by it, and it serves as a management control tool. Cost auditing and price determination are helped by it. It delivers an accurate cost analysis by process and operations and computes the cost per unit of manufactured goods. It determines the profitability of every manufactured interest and efficiently manages raw material inventories at different phases. Carries out cost-control measures. It assists in budget planning, aids in implementing budgetary control, and directs management in the creation and execution of incentive bonus schemes.

### **4.2) Components of Prices**

Costs are composed of three primary components. They include labor, materials, and other fees.

Materials might be either direct or indirect.

Labor: Direct or incidental.

Extra costs: either direct or indirect.

Overhead costs are considered indirect expenses.

This comprises the overheads associated with production, administration, selling and distribution, and research and development.

### **Splitting of Expenses**

Some methods of dividing costs are listed below:

Prime cost equals direct labor, direct materials, and direct expenses.

The sum of the prime cost, factory overheads, administration overheads, and cost of production, as well as the costs of selling and distribution, equals the cost of sale.

### **Classifications of Costs**

The following categories of costs exist: nature, elements, analytics, functions, planning and control, normalcy, time, variability, controllability, and indirect costs. There are other

categories for management costs. Prices can be categorized using analytical classification, elements, or nature: This covers costs, labor, and materials.

### **Management Expenses**

The calculation of costs is done for managerial reasons. Marginal costs, replacement costs, opportunity costs, and costs that cannot be avoided are all included in this. Cost is a monetary indicator of the quantity of resources utilized to achieve a particular goal. Even in cases where the output volume changes for a specific period of time, the overall amount of fixed expenses remains stable.

When production rises, fixed cost per unit falls, and when production decreases, it grows.

The entire amount of variable expenses varies in direct proportion to the output volume. These unit costs don't alter as manufacturing levels do.

Semi-variable costs are those that have some fixed expenses and some variable costs. The total of varying costs, which includes prime cost + variable overhead, is known as the marginal cost. One more production unit was manufactured at an additional expense.

Total Cost / Number of Units Produced = Average cost.

### **Statement of Cost/Cost Sheet**

Among the cost sheet's details are Direct labor, direct materials, and direct costs. The work overheads are the prime costs. The administrative overhead is the work cost. The selling and distribution of overheads constitute the cost of manufacturing. For each of these, the total cost and the cost per unit need to be determined. A cost sheet can have any format you like. It could differ depending on the industry. This is an example of a cost sheet format. Recall that a cost sheet is an itemized statement summarising the different components of the overall cost of a specific product. Based on projected and historical prices, a cost sheet is created.

### **The breakdown of the garment's cost**

In addition to the other duties, a merchandiser has to estimate the cost of each product. When estimating costs, one must consider the price of different raw materials, the business's running

expenses, the competition, and the organization's anticipated profit. The buyer's cost expectations must also be taken into account.

The following factors affect the cost of clothing: fabric, trimmings, CM (cost of making), printing, embroidery, washing, quality control, transportation expenses, and manufacturing organization profit.

### **Woven/Kint Fabric**

The main component that affects clothing costs is fabric. 60–70% of the overall price of an item of clothing is made up of material. In many instances, determining the garment's quality and fabric consumption yields more accurate production costs than any other consideration. The fabric used for the garment determines how much it will cost.

**Kinds of Textile/Fabric:** Yarn or fiber; woven or knitted fabric; power loom or automatic loom fabric; fabric, dyed fabric, fiber composition (cotton, wool, polyester, silk, blended fabric, etc.), type of dyeing and finish applied, weight (grams per square meter), type of yarn (ring-spun, open-ended, carded/combed, etc.).



### 4.3 Determine the Cost of Fabric

The cost of fabrics can be computed as follows:

**Total cost of cloth manufacture. =**

**(Costs associated with yarn, fabric manufacturing, dyeing, and finishing)**

#### Fabric Cost Calculation for a Garment

The T-shirt's knitting fabric consumption can be computed using the formula below:

**Use of fabric in KG**

**= (Body length + Sleeve length + allowance) \* (Chest + allowance) \* 2 \* GSM/10000**

#### Consumption of Fabric in Woven Fabric

Fabric consumption in meters can be used to calculate the woven fabric consumption for a shirt. = **(Full length + Sleeve length + allowance) \* (Chest + allowance) \* 2 \* Fabric width/39.37**

Using these techniques, the merchandiser approximates the amount of fabric consumed during the sampling phase. These algorithms will provide approximate figures for the garment's pre-costing stage. At times, the CAD department is also responsible for fabric usage.

#### Sundries

Every material utilized in the garment, except fabric, is a trim. As an illustration, consider threads, elastics, zippers, buttons, labels, and other little objects. The UOM of Trims Used in Garments can be summed up as follows: Different trims have distinct units of measurement (UOMs); even the same frame can have two or three different UOMs.

Trims	Unit of Measurement
Thread	Meter/Cone
Labels	Pcs

Zippers	Pcs
Buttons	Gross (144 Pcs) or GG (1728 Pcs)
Polybag	Pcs
Carton	Pcs
Hangtag	Pcs
Shanks	Gross (144 Pcs) or GG (1728 Pcs)
Rivets	Gross (144 Pcs) or GG (1728 Pcs)
Hanger	Pcs
Tapes/Velcro	Meter/Yds
Elastic	Meter/Yds

### Thread

Another essential element in determining the cost is the thread. Typically, the IE department calculates thread use. There are instances where it is possible to calculate the amount of yarn used in sample preparation. In this instance, the pre-cost sheet shows that 10–15% wastage was retained.

### Labels

Products have labels, like content, care, and major brands. The cost of the label is determined by the label's manufacturer, namely its fiber content—jacquard labels, printed labels, label sizes, label colors, etc.

### Zipper.

The many kinds of zippers used on clothing, such as metallic and nylon zippers, significantly impact the price of zippers. Merchandisers must be well-versed in zipper dimensions to accurately estimate and negotiate prices. The minimum order quantity (MOQ) significantly impacts the zipper's price.

### Buttons.

Buttons come in various materials, including plastic, nylon, acrylic, wood, shell, and metal. The button maker determines the MOQ for each type of button. 1 gr = 144 pieces.

**Polybags.**

The thickness, dimensions, and raw material significantly impact the cost of poly bags. The number of components determines the order of the poly bag. When we consider the whole order quantity, the price of the poly bag is an equally essential asset that makes a big difference.

**Cartons**

The type of material and the size of the carton have a significant impact on the price. These parameters determine the cost of cartons; typically, the quantity of cartons ordered determines the UOM and the cost increases with MOQ. The amount of plies, carton size, and GSM of the paper used to construct the carton are considered while making this purchase. Typically, carton boxes have three, seven, or nine plies.

For instance: 9 plies, 60\*40\*40, four side calico, one side print, and 180 GSM.

**Hand Tags.**

Price tags, or hand tags, are used as packing material. The cost of hand tags varies depending on the material, printing, and minimum order quantity.

**Shanks and Rivets.**

Metal is used for rivets and shanks, two types of trim. Shanks and pins have UOMs of gross and no of, respectively. Shanks and rivets vary in price based on the material and minimum order quantity.

**Hangers.**

Most hangers are composed of rigid plastic, though occasionally wood is used. The price of a hanger is determined by its size, color, print, and material. Transparent hangers are typically more expensive than colored ones.

**Tags and Velcro**

Mobil tapes are bought in kilograms, while regular tapes are accepted according to width. Hence, a 100% increase in breadth results in an 80% rise in cost. A 150% increase in width results in a 250% cost increase for satin tapes. MOQ is another element that influences price.



#### 4.4 The Sundies Charges equation.

Typically, trim charges are computed based on the various sourcing scenarios and modes of transportation. Consider an air shipment. Depending on the freight costs, the buyer is quoted a price that includes the trim fee plus an additional 15–25%. Depending on the freight expenses, the buyer is charged a cost that provides for trimmings plus an extra 10% to 15%. Transportation costs and local taxes are given when using domestic sources, and they will undoubtedly increase the trip's overall cost. Depending on the business perspective, the merchandiser makes these additions.



#### 4.5 Cost of Manufacturing (CM)

CM is computed by the total monthly manufacturing cost multiplied by the number of hours required to create the style and divided by the quantity of units produced. If a contractor is involved in the creation, the contractor's profit is added to this sum.

Cost of labor per minute = (Operator monthly salary / Total monthly available minutes)  
@100% efficiency.

Cost of CM = (Each Garments SAM \* Minute cost of the labor)/Line efficiency (%).

**Printing/Embroidery and washing.**

Special techniques, including embroidery, printing, and washing, have been added to the price to give the desired look to customers. These are related expenses for the production of clothing, chemicals used in wet processing, laundry, and contracted services. Chemicals used in damp processing include resins, softeners, neutralizers, bleaches, and detergents.

As an illustration, the following size for a polo neck T-shirt and the number of units have been assumed. = 5000, the salary of the operator = 8000 Tk./month=100\$/month no. of Working Days = 26, Line Efficiency =50%, Sewing SAM= 15 min., Cutting SAM= 7 min. 80 BDT = \$1, Chest = 60 cm, Length (HSP to waist) = 78 CM, Sleeve length = 28 CM. S/J fabric made of 100% cotton, 2/60s, was utilized. 18 is GSM.

**4.6 Figuring Out the Fabric Usage**

Use of fabric in KG

$$= (\text{Body Length} + \text{Sleeve Length} + \text{Allowance}) \times (\text{Chest} + \text{Allowance}) * 2 * \text{GSM}/10000$$

$$= (78 + 28 + 2) * (60 + 1) * 2 * 180/10000$$

$$= 237.12 \text{ Kg}$$

**4.7 Computation of Charges for CM.**

The monthly total available capacity is used to compute CM charges. =26

Working days \* 8 hours per day \* 60 = 12,480 minutes.

**Cost of Labor per Minute.**

Cost of labor per minute = (Operator pay per month / Minutes available overall for the month) at 100%

$$= 8000/12480 = 0.64 \text{ (Taka)}.$$

**Cost of Sewing**

Cost of Sewing = (SAM of the garment \* Minute cost of the labor)/Line efficiency (percent)

$$= 15 * 0.64 / 50$$

$$= 0.192 \text{ Dllr}$$

**Cost of Cutting.**

$$\begin{aligned}\text{Cost of Cutting} &= (\text{SAM of cutting} * \text{Minute cost of the labor}) / \text{cutting efficiency (percent)} \\ &= 7 * 0.64 / 50 \\ &= 0.0896 \text{ dollars.}\end{aligned}$$

The cost of trimming is estimated to be 0.08 dollars, contingent on the number of operators involved.

**Cost of Garment Production (CMT)**

$$\begin{aligned}\text{Production cost of garment (CMT)} &= \text{sewing cost} + \text{cutting cost} + \text{trimming cost} \\ &= 0.192 + 0.0896 + 0.08 \\ &= 0.362 \text{ dollars.}\end{aligned}$$



## 4.8 Cost Sheet for Specimen of Woven Garments (Full Sleeve Shirt):

BUYER	Levi's			ITEM	LS CASUAL SHIRT LONG SLEEVE	DATE	15-Aug-23		
Brand	Dockers			SEASON	H2 24				
B/REF	PC9-52669-FA188182			PACK	STANDARD PACK		COSTING- 11		
Order Qty/Style	14k			SIZE RANGE					
DELIVERY DATE		D55343 HARE flannel deep forest Plaid 1		FINAL FOB	\$7.50	Projected Qty	50000 Pcs	H2-24	
<b>PRIME COST-FABRIC</b>									
DESCRIPTION	CONS/DZ	UNIT	WIDTH	REQ/DZ	QTD PRX \$/YD	COST/DZ	SUPPLIER	SPLR STATUS	PRESENT PRX \$/Mtr
FA188182- 30 BCI COTTON 20 RECYCLED COTTON, 21x21 80x60,4.85 OZ, Shrinkage: Warp: 4%, weft: 4%	23.20	YDS	56"		\$ 2.05	47.56	Shan Tex	own	Levi's Shared Price- \$2.23
Colorway Code:52669-0450	23.20	YDS							
Check repeat - 3x3cm						47.56			
<b>SECONDARY COST-TRIMS &amp; ACCESSORIES</b>									
DESCRIPTION	CONS/Dz	UNIT	WASTAGE%	REQ/DZ	UNIT PRX	COST	SUPPLIER	SPLR STATUS	REMARKS
MAIN LABEL-S111153	12	Pcs	3%	12.360	\$ 0.032	\$ 0.40	AVERY DENISON	Nominated	\$30.56/1000 Pcs
COO LABEL-S114788	12	Pcs	3%	12.360	\$ 0.024	\$ 0.30	SML HONGKONG LIMITED	Nominated	\$24/1000 Pcs
FIT LABEL-S113252	12	Pcs	3%	12.360	\$ 0.020	\$ 0.25	AVERY DENISON	Nominated	\$17.65/1000 Pcs
FLAG LABEL-S109300	12	Pcs	3%	12.360	\$ 0.021	\$ 0.26	AVERY DENISON	Nominated	\$20.04/1000 Pcs
LABEL-S113235	12	Pcs	3%	12.360	\$ 0.020	\$ 0.25	AVERY DENISON	Nominated	\$19.93/1000 Pcs
LABEL-S111154	12	Pcs	3%	12.360	\$ 0.020	\$ 0.25	AVERY DENISON	Nominated	\$19.66/1000 Pcs
S108844 Button 18L F.S. RECY POLY MATTE PEARL 2.5MM	120	Pcs	3%	123.600	\$ 0.007	\$ 0.87	Jindal Poly Button	Nominated	\$0.94/Grs
S108845 Button 14L F.S. RECY POLY MATTE PEARL 2.5MM	36	Pcs	3%	37.080	\$ 0.005	\$ 0.19	Jindal Poly Button	Nominated	\$0.67/Grs
Interlining	2	Yds	3%	2.060	\$ 1.55	\$ 3.19	Freudenburg	Nominated	White-\$1.37/Yd & Charcoal-\$1.62/Yd
Thread, S55273 T DTM- Tex- 30 - Coats Epic-403	0.85	CONES	3%	0.876	\$ 1.850	\$ 1.62	COATS	Nominated	
CARE LABEL 2: S112359 Label DOCKERS CL 2 TOPS- GENERIC CODE	12	Pcs	3%	12.360	\$ 0.010	\$ 0.12	AVERY DENNISON TEKURSANVETICL T 600740 TR	Nominated	\$10/1000 Pcs
CARE LABEL 3: S110785 Label GLOBAL CL 3 MEN'S TOPS	12	Pcs	3%	12.360	\$ 0.011	\$ 0.14	AVERY DENNISON TEKURSANVETICL T 600740 TR	Nominated	\$11/1000 Pcs
CARE LABEL 4: S110800 Label WATERLESS GLOBAL CL 4 TOPS	12	Pcs	3%	12.360	\$ 0.013	\$ 0.16	AVERY DENNISON TEKURSANVETICL T 600740 TR	Nominated	\$12.79/1000 Pcs
CARE LABEL 8: S110817 Label GLOBAL CL8 DOCKERS® - TOPS	12	Pcs	3%	12.360	\$ 0.025	\$ 0.31	AVERY DENNISON TEKURSANVETICL T 600740 TR	Nominated	\$25/1000 Pcs
ATTACHMENT: S110328 Attachment T3 LOCKING BARB - PMS 289	12	Pcs	3%	12.360	\$ 0.010	\$ 0.12	AVERY DENNISON HONG KONG B V 600769 HK	Nominated	\$9.75/1000 Pcs
BCP Misc POLY BAG EACH UNIT	12	Pcs	3%	12.360	\$ 0.055	\$ 0.68	DUMMYY SUNDRIES 602000	Nominated	TBA
S93437 UVM ALL TIERS WHITE INTEGRATED UVM STICKER	12	Pcs	3%	12.360	\$ 0.084	\$ 1.04	AVERY DENNISON HONG KONG B V 600769 HK	Nominated	Sticker \$12/K + RFID \$71.95/K
S116986 Hangtag MT H222 T3 SS CAS SHRT REG FIT RCY CTN	12	Pcs	3%	12.360	\$ 0.032	\$ 0.40	AVERY DENNISON HONG KONG B V 600769 HK	Nominated	\$30.53/1000 Pcs
GUM TAPE	12	Pcs	3%	12.360	\$ -	\$ 0.17	ELL ACCESSORIES LT	Own	
Silica Gel (2 gm)	12	Pcs	3%	12.360	\$ 0.035	\$ 0.43	MacDry	Own	
CARTON	0.6	Dzn	3%	0.630	\$ 1.900	\$ 1.20	OIA GLOBAL	Nominated	
Miscellaneous Cost						\$0.60			
<b>SUB TOTAL TRIMS COST</b>						<b>\$13.29</b>			
<b>ADDITIONAL CHARGES:</b>									
WASH						\$1.50	GARMENT WASH		
LAB TEST						\$0.20			
COURIER COST						\$0.00			
<b>TRIMS &amp; ACCESSORIES COST</b>						<b>\$14.99</b>			
<b>TOTAL MATERIAL COST (FABRIC+TRIMS &amp; ACCESSORIES)</b>						<b>\$62.55</b>			
A/C HOLDER				GM/ MANAGER				MANAGING DIRECTOR	

	1000 Pcs		FINANCE COST	5.00%	\$3.13	SMV	Order QTY. (Pcs)	Productivity (Pcs/HR)
PRODUCTIVITY/DAY	1000 PCS		NET CM		\$18.00	23.74	14K	100
LINE COST	\$1,500	(NET CM + FINANCE+ PROFIT)	PROFIT	25%	\$4.50	H2-D0 QTY	16,755	1050
SMV	23.74		GROSS CM		\$25.63		53K	
			COMMISSION	0.00%	\$0.00	GROSS CM WITH NET FOB \$		
			NET FOB		\$7.35	25.63		
			OFFERED FOB		\$7.50			
			CM WITH OFFERED FOB		\$27.45			
			TARGET FOB		\$7.35			
			CONFIRMED FOB		\$7.50			
			CM WITH CONFIRMED FOB		\$27.45			

## 4.9 Resources & Methods for Costing:

### 1) Labor Productivity in Lines:

= Total daily outputs per line/the number of workers

### 2) Linear Machine Efficiency:

= Total Daily Outputs for Each Line/Number of Machines Utilized

### 3) Efficiency of Line:

= Daily total production for each line \* Each line's SAM/total manpower\*total working minutes\*100%

### 4) Theoretical Workforce:

= Objective hourly/Process throughput hourly

### 5) The goal:

Total manpower per line \* Total working minutes per day/SAM\*100%

### 6) GSD

GSD = (Work Hour \* Man Power) / Goal

### 7) SMV

SMV = (Basic time \* Allowance) + Basic time

### 8) Basic time

Observed time \* Rating equals basic time.

### 9) Observed time

Total cycle time/number of cycles equals observed time.

### 10) Rating

(Observed Rating \* Standard rating) / Standard rating is the rating.

### 11) Obtain a minute.

Earn minute = No of Pc's (Production) \* Garments SMV

### **12) Minutes available**

Available minute = Work hour \* Manpower

### **13) Daily production**

Daily output = Work hour / SMV

### **14) Output capability**

Factory capacity = (Work hour / SMV) \* Total worker \* Working day \* Efficiency

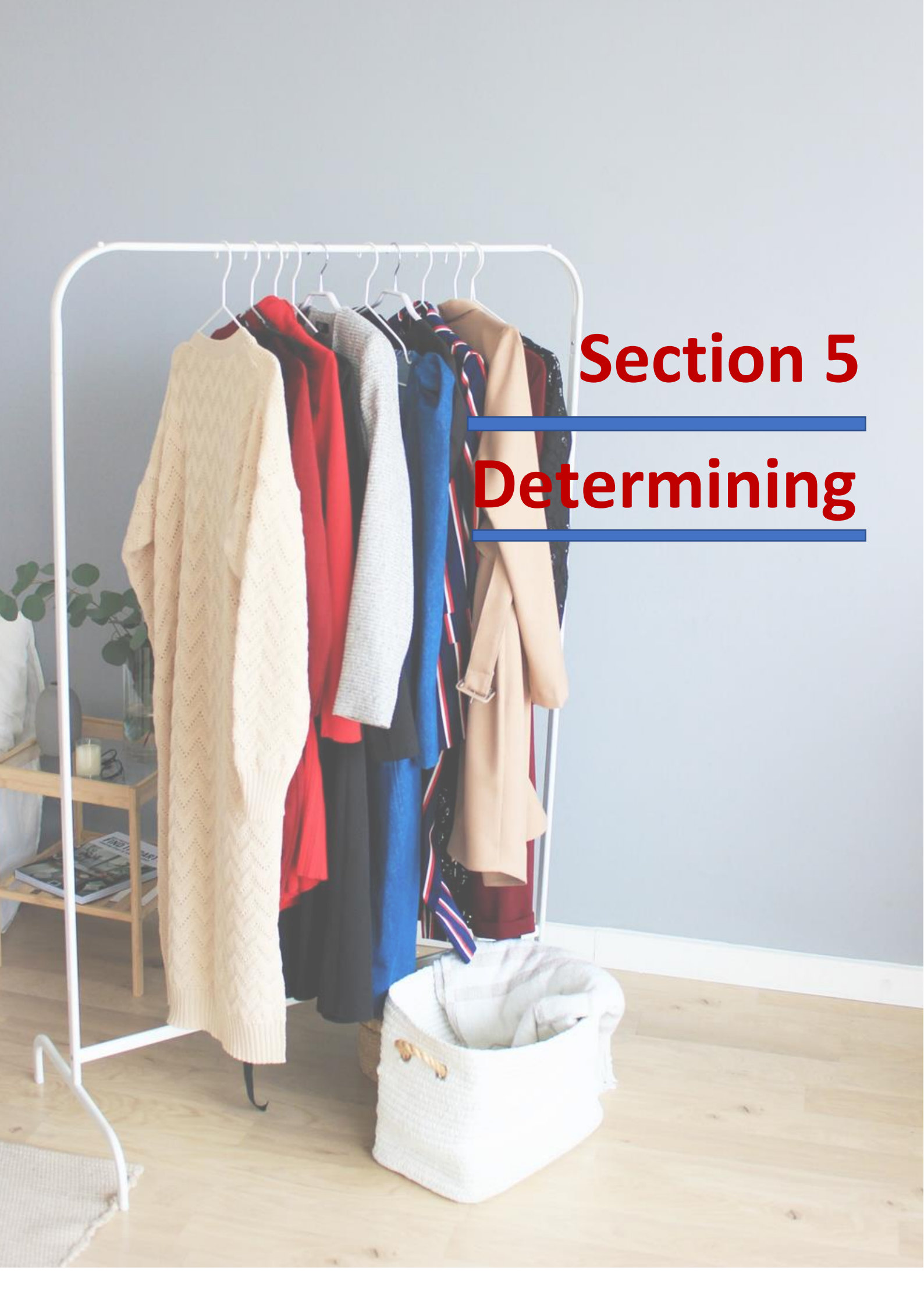
### **15. Number of operators required**

Target daily output / Daily output per operator = the required number of operators.

### **16) Calculating P.P.M. (Price per Minute)**

= (S.A.M\*Minute Value)/Achieve the approximate factory efficiency.





## Section 5

# Determining

The conclusions are supported by my observations and real-world knowledge from my work as a senior merchant with the Dekko ISHO Group.

### 5.1 Benefits

- Strong mid-level leadership
- An experienced manufacturing team with expatriates
- Unwavering beliefs on the compliance, safety, and quality of commodities
- On-time delivery of Crystal Clear Critical Path Control
- Clearly defined authority for capabilities and strategic assessment

### 5.2 Deficiencies

- Subordinates in high-level positions don't make decisions. At all times, senior management makes the final choice.
- The company is facing difficulties in the RMG market, similar to other businesses in our region, which has resulted in a decrease in wage terms.
- The company, like many others in our nation, is facing difficult times. Thus, there aren't enough workers to manage the business.

### 5.3 Prospects

- Dekko Garments Ltd. has received interest from a number of foreign customers, including Levi's (USA), Bestseller (Europe), Shanghai World Style, and others. In the past three months, DGL has welcomed four bestseller brands—Vero Moda, Villa, Name it, and Wool—for business-related reasons.
- DGL recently collaborated with two global design companies to create their apparel.
- The strong squad is giving it its all.

### 5.4 Hazards

- Competing companies are always providing an alternative for a product that is a significant risk to DGL.
- Due to difficult circumstances, all employee amenities are closed, which has made many workers unhappy at DGL and led to the resignation of several reputable companies.
- All commodities are becoming less expensive because the majority of buyers in the RMG industry are lowering their product costs.



A close-up photograph of several pairs of blue denim jeans stacked on top of each other. The focus is on the waistband and pocket area, showing the texture of the fabric and the orange-brown stitching. The jeans are arranged in a way that creates a sense of depth and repetition.

**Section 6**

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**Consultations  
&  
Deficiencies**

---

## 6.1 Consultations

There are many different types of businesses operating in the vast field of merchandising. Above all, we had to make a decision about how to work more efficiently and effectively. Using cotton is the most crucial factor. It's important to measure the neck, the length of the leg, and other areas that are the highest on the garment.

Additionally, because a merchant can do anything for their business, the merchandiser will assume full responsibility for all opinions regarding fabric flaws and samples during the manufacture and inspection process. For this reason, when it comes to the final examination, the merchant will use a better inspection procedure.

As a Senior merchandiser at DGL (Dekko Garments Ltd.), I am offering some recommendations based on my personal experiences.

- Lower the expense of appeals by putting in place a stringent management and control framework. Dekko Garments Ltd. will make the required decisions right away. Increased adaptability in internal communication would let upper management handle increased customer satisfaction and make decisions more quickly.
- To optimize production efficiency and minimize lead time, Dekko Garments Ltd. should establish a Department of Operational and Internal Control and Employee Innovation Development.
- The establishment of a new marketing department and marketing plan is planned by Decko Garments Ltd. Every company requires a marketing strategy. Various marketing departments at Dekko Fashion Ltd. needed to enhance their business plans in accordance with their capabilities and resources.
- The extremely low wage payment has a severe impact on the profits of firms. I agree that all employees will contribute actively to the firm and be pleased to work at Dekko Garments Ltd., provided the company pays salaries on time.

## 6.2 Deficiencies

A community in the poor world is called Bangladesh. Our industry of clothing and apparel is starting to somewhat alleviate the unemployment issue in this area. There is a significant employment market for people in this profession. The position in this industry could have been better at first. Even yet, this industry will eventually generate a significant amount of foreign exchange, accounting for between 75 and 80 percent of our total economic growth, making our economy quite strong. That's correct, too. Working in the Dekko ISHO Group's merchandising division was a real delight for me. With the friendly help of coworkers and managers, I was able to observe a variety of garment industry functions and was given a broad perspective. Every employee at Dekko Group aims to deliver the best possible service. Merchandisers are the most valuable human resource for an organization's growth, according to the survey. Numerous elements contribute to the creation of these priceless resources. A company's profitability cannot be increased without effective merchandising management.



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- Encyclopedia of clothing and fashion / Valerie Steele, editor in chief. Publication Information: Farmington Hills, MI: Charles Scribner's Sons, ©2005.

### Websites

- Official Site: <https://dekkoisho.com/>
- Our company website: <http://bi.dekkoisho.com/all>
- Official Sites: <https://bd.linkedin.com/company/dekkoishogroup>
- Official sites: <https://daffodilvarsity.edu.bd/>
- Official sites: <https://elearn.daffodilvarsity.edu.bd/>
- Official sites: <http://www.moind.gov.bd/>
- Official sites: <https://www.bgmea.com.bd/>

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- Information data on last year's production from –Damith Fernando, IE head, DGL
- Planning data – from –Alamin Mollah, Planning Head, DGL.
- Picture of the products – from Dekko Design Studio and Web.
- Information from my Industry Supervisor – Md. Farhad Khan.

# Thank You

**“Save trees so that your future generations can see greenery.”**



# Turnitin Originality Report

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i Internship Report On Sustainable Fashion Manufacturing and Merchandising in Dekko ISHO Group Submitted by Md. Masud Kabir ID: 203-12-719 MBA in Textile & Apparel Management and Merchandising [Department of Business Administration Faculty of Business and Entrepreneurship Daffodil International University Supervised By Engr. Asit Ghosh Assistant Professor Department of Textile Engineering Faculty of Engineering Daffodil International University](#). The document submitted attempts to meet the requirements for the degree partially of MBA in Textile and Apparel Management and Merchandising. Internship Period: 2nd May 2023 to 31st July 2023 ii [STUDENT'S DECLARATION I hereby declare that](#) I completed [the](#) internship [report](#) on Sustainable fashion manufacturing and merchandising at Dekko ISHO Group [under the](#) guidance [of](#) Engineer [Asit Ghosh, Assistant Professor](#) in the [Textile Engineering](#). Department at [Daffodil International University's](#) Faculty of Engineering. Completing the report is a prerequisite for earning an MBA from Daffodil International University's Faculty of Business and Entrepreneurship. Furthermore, we affirm that no portion of this report or any other report from our internship has ever been submitted for consideration for a degree or diploma elsewhere. .... Md. Masud Kabir ID: 203-12-719 Program: Executive [MBA Major: Textile & Apparel Management & Merchandising, Department of Business Administration, Daffodil International University](#), iii [LETTER OF TRANSMITTAL To Engr. Asit Ghosh](#) Assistant Professor [Department of Business Administration Daffodil International University Subject](#): Internship Report [Submission Dear Sir](#), With great pleasure, I report that I have successfully finished my internship program in "Sustainable Fashion Manufacturing and Merchandising at the "Dekko ISHO Group." Undertaking such a study has been a unique experience. Additionally, I had the chance to broaden my knowledge by getting to know the practice, which will benefit me in my profession. I've made every effort to ensure that this report is educational. But even with my best efforts, the report might still improve in a few areas. I sincerely hope and pray that the errors will be overlooked. My findings and lessons from my investigation are summarized in this report. I've worked hard to learn the necessary questionnaires, different kinds of paperwork, and useful techniques that will aid in the preparation of my internship report. Due to the brief internship period and some internal industry standards, there is a possibility that my report contains errors. Please consider me & accept my internship report. Lastly, I would appreciate your giving your judicious advice on the effort. Your nice co- operation is highly appreciated. Thanking you. Sincerely yours ..... Md. Masud Kabir ID: 203-12-719 Program: Executive [MBA Major: Textile & Apparel Management & Merchandising, Department of Business Administration, Daffodil International University](#), iv [LETTER OF APPROVAL 15th August 2023 To The Head of the Department Department of Business Administration Daffodil International University Subject](#): Approval [of Internship Report](#) for MBA(Executive) Program. Dear Sir, This correspondence shows that student Md wrote the Sustainable Fashion Manufacturing and Merchandising report for the Dekko ISHO Group. ID: 203-12-719 for Masud Kabir's final assessment. The entire piece was developed based on accurate research and data from the Dekko ISHO Group. The intern participated actively in the activities related to their internship report. [Kindly accept this](#) industrial attachment [report and take it](#) into consideration [for your final](#) assessment. [Yours Sincerely](#) ..... Engr. [Asit Ghosh Assistant Professor Department of Textile Engineering Faculty of Engineering Daffodil International University v](#) [ACKNOWLEDGEMENT](#) Our sincere gratitude [to Almighty Allah](#) for his gracious grace in helping us successfully complete this internship report comes first. I would like to express my gratitude to our esteemed course instructor and supervisor, Engineer [Asit Ghosh, Assistant Professor, Department of Textile Engineering, Faculty of Engineering, Daffodil International University](#), for [all](#) of his support and encouragement as I worked on my internship report. His instructions and guidance are greatly appreciated. I also want to express my gratitude to our esteemed dean, Professor Dr. Mohammed Masum Iqbal of the [Daffodil International University's Department of Business Administration, Faculty of Business & Entrepreneurship](#), for [his](#) enthusiastic support and cooperation. My sincere gratitude goes out to Shahid Hossain, the chairman of the Dekko ISHO group; M. Farhad Khan, the assistant general manager of marketing and merchandising; A.K.M. Akhteruzzaman, the manager of merchandising; and all of my other colleagues who have inspired me greatly and helped make this report a success. We greatly benefited from their advice, ideas, and motivation. vi Catalog of Abbreviations /Acronyms DITECH Dekko Isho Technologies [BGMEA Bangladesh Garment Manufacturers and Exporters Association ILO The International Labor Organization REACH The registration, evaluation, authorization, and restriction of chemicals. RMG Ready-made Garment WHO World Health Organization Ref Reference WRAP Worldwide Responsible Accredited Production CTPAT Customs-Trade Partnership Against Terrorism CRP Rehabilitation of the Paralyzed EAN International Article Number EDI Electronic data interchange L/C Letter of Credit CM Cost of Making MOQ Minimum Order Quantity GSM Grams per Square meter FOB Free on Board \(FOB\) DGL Dekko Garments Ltd. PO Purchase Order SMV Standard Minute Value. vii vii Executive summary C completing the internship program is required for the post- graduation MBA in Textile and Apparel Management and Merchandising. Discussions in class alone cannot prepare students for real-world business situations; this program offers them the chance to learn about professional work environments. Creating a report for the organization's and university's needs is necessary. The report's primary goal becomes abundantly evident. The Dekko ISHO Group holds a prominent position in Bangladesh's apparel industry. I have a fantastic opportunity to do my internship with this company. Large and equipped with all the amenities is this factory. The production process starts with designing sample clothes for various brands and ends with finished goods that are sent. Bangladesh is thriving in the RMG industry these days, and this segment has contributed greatly to it. The sources of apparel garments determine the apparel sector's yearly export revenue. Ready-made clothing is solely focused on exports. RMG exports a range of clothing items to overseas markets. For the United States, United Kingdom, Canada, and European countries, the company produces men's shirts, pants, jackets, safety gear, shorts, sportswear, and other items. They create high-quality clothing items with sophisticated machinery. They expand their production line by incorporating additional machinery. Their goal is to maximize profits, and that is their objective. The apparel business keeps positive connections with consumers. Their primary tactic is diligent and focused upkeep. The merchandising crew is competent and reasonably efficient at what they do. Sibling worries exist for Dekko ISHO. They are Roxy Paint, DITECH, DIVC, ISHO, IZAKAYA, KLUBHOUS, Dekko Garments Ltd., Dekko Ready Ware Ltd., Dekko Fashion Ltd., Dekko Apparel Ltd., Agami Fashion Ltd., and Agami Wash Ltd. We attempted to provide a brief overview of Dekko's RMG division, its principal clients, and its various operations in this study. Contents Table Serial No Contents Page Number Section 1: Structure Of The Research 1.1 Overview \[1.1.2 Context Of the Research\]\(#\) \[1.1.3 Relevance Of the Research\]\(#\) \[1.1.4 The Aim of The Research\]\(#\) \[2.1.5 Approach to the Research\]\(#\) 2 1.6 Restrictions On the Research 3 1.7 The Difficulties Encountered in Compiling This Report 3 Section 2: Concerning The Dekko ISHO Group 2.1 Highlights 4 2.2 Leadership 5 2.3 Dekko Garments Limited 6 2.4 The Green Factory 7 2.5 Green Factory Manufacturing Capacity 8 2.6 Factory Profile- Dekko Garments Ltd. 9 2.7 Dekko Strength 10 2.8 Certifications And Memberships 11 2.9 Dekko's Partners 12 2.10 Compliance 13 2.11 Corporate Social Responsibility 15 2.12 Areas Of Future Collaboration 16 2.13 Contact 16 Section 3: Sustainable Fashion Manufacturing And Merchandising 3.0 Department Of Merchandising 17 3.1 Goals For Merchandising 17 3.2 Merchandiser's Attributes 17 3.3 Principal Duties of A Merchandiser 17 3.4 A Quick Overview of Merchandising Work 18 3.5 Merchandiser's Roles 19 3.6 Merchandisers' Difficulties 20 3.7 Management Of Merchandising 20 3.8 Interdepartmental Relationships and Merchandise 20 3.9 3.10 3.11 3.12 3.13 3.14 3.15 Promoting & Merchandising Merchandising Is Built On Communication. Communication Channels Bargaining With Purchasers Handling Of Order Processing Pricing Estimation Development Of Merchandising Partial to The Goals Of The Buyer 20 21 21 22 23 24 24 3.16 3.17 3.18 The Merchandiser's Component of Buyer Preference Buyer Disliking Factor of Merchandiser Records That Must Be Kept Up to Date By The Merchandiser 26 26 26 Section 4: Costing Methodology of Dekko ISHO Group \(Garments Unit\) 4.0 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 Analyzing Costs Costs of Garments Components of Prices Determine the Cost of Fabric The Sundries Charges equation. Cost of Manufacturing \(CM\) Figuring Out the Fabric Usage Computation of Charges for CM. Cost Sheet for Specimen of Woven Garments \(Full Sleeve Shirt\) 29 29 29 32 35 35 36 36 38 4.9 Resources & Methods for Costing: 39 Section 5: Determining 5.1 Benefits 41 5.2 Deficiencies 41 5.3](#)

Prospects 41 5.4 Hazards 41 Section 6: Consultations & Deficiencies 6.1 Consultations 42 6.1 Deficiencies 43 Bibliography 44 Thank You 45 Section 1 Structure of the Research 1.1 Overview Bangladesh places great importance on the RMG (Ready Made Garment) sector. Since 1978, Bangladesh has grown to be a significant player in the ready-to-wear industry. Around 85% of Bangladesh's export revenue is generated by textile and apparel, of which 75% is derived from the garment industry. This industry includes significant items such as [knit and woven shirts, blouses, trousers, skirts, shorts, jackets, sweaters, sportswear, and several other](#) stylish and casual ensembles. About 3.6 million people work in this industry, most female and come from lower socioeconomic backgrounds. 1.2 Context of the Research I prepared my internship report on Dekko Garments Ltd. and currently work as a Senior Merchandiser in the 100% export-oriented woven garments business under the Dekko ISHO group. I have read nearly every component in order to continue my internship studies at Dekko ISHO Group. This has allowed me to comprehensively understand the organization's operations, including planning, activities, and other details. 1.3 Relevance of the Research I have finished this report, including input from the RMG sector's merchandising, production, technical, human resources, and compliance departments. We gained insight into the RMG industry by finishing this paper, which improved our practical understanding of this area. We have purposefully discussed these topics in this context to inform you about them. 1.4 The aim of the research The following aims are the focus of this report: ♦ Having a practical understanding of the RMG industry. ♦ To learn more about RMG's current production method. ♦ To draw comparisons between learning in the classroom and real-world learning. ♦ To be aware of the work environment in clothing manufacturers. ♦ To understand foreign buyers' ordering process and dealings with our country. ♦ To know about the apparel industry's technical and management processes. ♦ To know about the procedures for ensuring product quality. ♦ To research today's competitive landscape, growth, accomplishments, and state of the RMG product market. ♦ To be informed about the upkeep procedure and compliance issues with clothing. 1.5 Approach to the Research The research processes and methods that we follow are outlined in the methodology. The procedures for completing the report and [an explanation of the data sources](#) are provided here. ♦ [Factory](#). ♦ Group [Discussion](#) ♦ [Internet Class](#) ♦ [Lecture](#) ♦ [Library](#) ♦ [Annual report](#) 1.6 Restrictions on the Research Even though the Dekko Garments Ltd. staff gave us their full cooperation and support, we still encountered many difficulties finishing the study. It isn't easy to enter every department to obtain information for us because each has a secret operating procedure and plan. Because of the epidemic, we also had to abide by some limits. 1.7 The difficulties encountered in compiling this report ♦ I did not obtain current information regarding the industry. ♦ One of the main challenges to completing the job in the allotted period is time constraints. ♦ A portion of the data and information are incredibly private for any business. They could not reveal for evident reasons, which may have been highly beneficial. Section 2 Concerning the Dekko ISHO Group 2.1 Highlights Dekko Group has dedicated itself to producing exceptional, reliable outcomes since the 1950s through the use of solid belief portfolios, meticulous research, and personal accountability. 2.2 Leadership MD SHAHID HOSSAIN Chairman As a Dhaka University master's student, Mr. Shahid began to contribute to the company. He had a significant role in the group's extraordinary increase. Being creative, driven, and a leader is Mr. Shahid's best qualities. Challenges, especially ones that broaden the company's horizons, propel him forward. Aside from his remarkable attention to detail, he is also infamously giving, fiercely competitive, composed under pressure, and willing to make difficult choices. Developing partnerships rather than merely clients is his belief. It takes more than a one-time transaction to sustain our connections with our partners. The Dekko Group has become well-known now because of Mr. Shahid's astute and broad business sense. The successful expansion of Dekko Isho Group into high-potential areas in Bangladesh and outside is expected to be fueled by his leadership. RAYANA HOSSAIN Director According to Rayana Hossain, design ought to permeate every aspect of a company. Her experience at Harvard University solidified her commitment to putting design and creativity first to improve systems and spur innovation. She used her extensive knowledge and expertise in design to the well-established businesses of the Dekko Isho Group, driven by curiosity and determination. Since then, the company has made some audacious bets and entered areas focused on innovation, much like its innovative beginnings in the paint and clothing industries. Rayana has ventured into the lifestyle market by launching the retail clothes brand Klubhaus, the Izakaya restaurant, and the ISHO furniture manufacturing brand. The nation's first and only furniture e-commerce portal, ISHO, was established in 2017 and launched its first physical location in 2019. To create the most beneficial user experience possible, ISHO embraces design's collaborative and cultural aspect while adhering to the principle of cumulative knowledge accumulation and adapting to changing consumer needs. 2.3 DEKKO GARMENTS LIMITED Dekko Group's involvement in the garments industry dates back to the early 80s when Bangladesh became the world's 2nd largest exporter of RMG. The apparel divisions within the company have gained extensive industry experience and top-notch skills. Because of this, we are now very competitive while still being dedicated to upholding worker welfare and creating cutting-edge, sustainable solutions. Our six independent garment factories have state-of-the-art floor lines, producing shirts, jackets, and women's and children's activewear. We employ approximately 11,500 workers, of whom around 7,250 (63%) are women. Completed in 2019, Dekko Garments Ltd.'s new flagship manufacturing unit is the Green Factory. 2.4 THE GREEN FACTORY Dekko Garments Ltd Flagship Green Factory is a high-tech garments manufacturing unit with integrated cutting, sewing, and finishing processes. The facility spans 400,000 square feet (over 3,700 square meters) and is in Gazipur, Bangladesh. The factory was designed to meet and exceed local and international standards and has acquired the LEED Gold green building certification. This facility saves 1 million kWh annually (which works out to approximately USD 100,000 in savings annually) and reduces our carbon footprint by over 830 metric tons annually. 2.5 GREEN FACTORY MANUFACTURING CAPACITY 2.6 Factory Profile Dekko Garments Ltd. 1. Factory Name: Dekko Garments Ltd. 2. Owner's Name: M. Shahid Hossain, Chairman. 3. Location/ Address: Mawna, Sreepur, Gazipur. 4. Phone / Fax No. +88029133045, 9122916. Fax: - +88029132853 5. Head office Address: Suvastu Zenim Plaza, House # 37, Road # 16, (Old# 27 Dhanmondi R/A, Dhaka-1209, Bangladesh. 6. Phone / Fax No.+88029133045, 9122916. Fax: - +88029132853 7. Contact Person: Farid Ahmed, General Manager. Cell # 01841297316, e-mail: farid.dgl@dekkoiisho.com 8. Contact Person- Compliance: Arif Hasan Jony, AGM, HR & Compliance., Cell # 01841297256, e-mail: arif.dgl@dekkoiisho.com 9. Marketing/ Liaison Office: Suvastu Zenim Plaza, House # 37, Road # 16, (Old# 27 Dhanmondi R/A, Dhaka-1209, Bangladesh. 10. Contact Person- Marketing: Alamin Sarker Reza, Executive Director. Cell # 01841297600, e-mail: reza@dekkoiisho.com 11. Phone No. +88029133045, 9122916. 12. Distance from the Airport: 45 Km. 13. Year of establishment: 2018 14. Factory Type: Woven Garments (Tops and Bottoms). 15. Factory space: Total 4,56,697 SFT. 16. Production area: Total 2,79,737 SFT. 17. Total worker Strength: Total: - 4560 Male: -2156 Female: - 2414 18. Seating capacity of the dining area: 1100 19. No. Of Production lines: 18 lines for Tops & 20 lines for Bottoms. Total: 38 lines with 01 SMS line. (May increase in future up to 44 lines) 20. Products: Men's Shirt and Trousers, Ladies' Blouse and Trousers, Boys' Shirt and Trousers. 21. Production Capacity: Tops: 500,000 Pcs /Month & Bottoms: 600,000 Pcs/Month. 22. Main Buyers: Tommy Hilfiger, Ralph Lauren, Tom Tailor, ZARA, KIABI, Varner, Gina Tricot, KOHL'S, Bestseller. 23. Buyers name with % of production: Tommy Hilfiger - 15%, Ralph Lauren - 12% , ZARA - 10%, Tom Tailor - 10%, KIABI - 15%, Varner - 15%, KOHL'S - 5%, Others - 18%. 24. Weekly Holiday: Friday 25. No of working shifts: 1 26. Working hours: 8 am to 5 pm 27. Lunch time: 1 hour 28. Pay period: 1st to end month 29. Payment Date: Within seven working days of the next month 30. Production process: Cutting, Sewing, Finishing, and packing. 31. No of the building of the factory: 7 Buildings & 2 shed 32. Number of staircases: 20 33. Business %: Europe: - 60% and others 40% 34. Total Machinery: Sewing - 2658, Others - 347. Total: 3005 35. Export Market: USA, Europe, Japan & India. 36. Traveling time from airport to factory: 2 Hours. 2.7 DEKKO STRENGTH: DEKKO EMPLOYEES With over 11,500 workers, Dekko ISHO group's garments manufacturing operations are considered top players in the Bangladesh RMG Sector. Over 7,100 of the workers employed are women, and we believe that it is vital to empower them through high-quality training and engagement in progressive, forward-looking social development practices. 2.8 CERTIFICATIONS AND MEMBERSHIPS 2.9 DEKKO'S PARTNERS 2.10 COMPLIANCE Compliant and sustainable growth is a principle that the management at Dekko ISHO actively promotes. We use only REACH-compliant premium raw materials. Dekko ISHO Limited sources most of its raw materials from environmentally compliant sourcing factories that have earned ISO 14001:2004 certification. Internal and external audits are conducted regularly, and the management is strict about all compliance matters. Dekko also has extensive rules about Safety and Occupational Health. We



have first aid kits, plenty of firefighting supplies and exits, filtered drinking water facilities in the manufacturing floor and daycare centers, and we closely adhere to government building codes. Additionally, specific laws are in place to guarantee that protective gear is used in areas with health risks. In addition to adhering closely to ILO requirements, Dekko ISHO offers its employees group insurance and provident fund services. Dekko ISHO also has the Worldwide Responsible Accredited Production (WRAP) certification further illustrates our dedication to promoting safe, lawful, humane, and ethical manufacturing. In conjunction with the Customs-Trade Partnership Against Terrorism (CTPAT) certification, this shows Dekko ISHO's commitment to becoming a model global corporate citizen. 2.11 CORPORATE SOCIAL RESPONSIBILITY Dekko ISHO strongly believes in the value that our CSR activities bring to our workers. We seek to create the optimal value in all our relationships. Our vision of success goes beyond just our products and profits; we strive to make a meaningful positive impact on the community that enables us to thrive in the first place. A few of our highly successful CSR programs are as follows: • Rehabilitation Of Physically Challenged Workers Program with CRP-Bangladesh • Promoting Adult Education for Illiterate Workers. • Sponsoring Pre-primary Education Program jointly with BRAC & UNICEF • Dedicated & Fully Facilitated Day-care Centre for Employee's Children at each Manufacturing Unit • Free Medical Treatment: We are providing free medical treatment for Employees and Children free of cost. • Yearly Cultural Program (Picnic, Sports, and Musical Festival). • Fair-priced Shop "Astha" for the workers: Employees can buy each good at wholesale price, which is considerably cheaper than retail prices, allowing employees to access high-quality essentials at affordable prices. 2.11 AREAS OF FUTURE COLLABORATION Dekko ISHO is very interested in expanding our operations across new and exciting sectors and markets and upgrading and building upon existing competencies and success stories. To that end, we are very excited about possible areas of collaboration, primarily in the following areas of interest. • Competitive and innovative funding opportunities for investment in sustainable technology, energy efficiency, and carbon footprint reduction infrastructure • Refinancing options for existing investment in green technology infrastructure • Expansion of CSR operations and engaging new partners in positive social development and change • Finding partners in recycling the production byproducts (plastic, metal, fabric, etc.) to move towards a closed-loop value chain. 2.13 CONTACT Email: info@dekkoisho.com Phone: +88 02 9132-934/-944 Corporate Office: Suvastu Zenim Plaza House # 37 (4th Floor), Road # 16 (Old 27), R/A Dhanmondi, Dhaka-1209. Section 3 Sustainable Fashion Manufacturing and Merchandising 3.0 Department of Merchandising One word that derives from "merchandising" is merchandise. Trading in commodities or items is known as merchandise. Merchandising is a division within the clothing and apparel industry that mediates between sales and development divisions. These business categories are supported and upheld by the policies, practices, and initiatives in place. The process of organizing all necessary raw materials is called merchandising. 3.1 Goals for Merchandising Merchandising's two main goals are: 1. Purchase and store the people's anticipated merchandise. 2. Achieve the company's objectives, such as income, growth, etc., by selling stock. Purchasing or holding onto products or inventories for sale is a straightforward merchandising tactic that benefits customers and businesses. 3.2 Merchandiser's attributes • Proficiency in English and a wealth of technical knowledge are essential for accurate and efficient communication. • Capacity to comfort clients • Capacity to collaborate with teammates • Excellent understanding of fiber, yarn, fabric, printing, painting, dyes, color fastness, and textile manufacture, among other topics. • Development of the typical possible quality problems in textile manufacturing efficiently. • Great knowledge 3.3 Principal Duties of a Merchandiser • Internal & International Communications • Preparation of internal order sheets • Preparation of purchase orders • Calculation of yarn usage • Advising and supporting the production and quality department • Calculation of costs • Responsibility for audits 17 | Page • Provision of delivery directions and subsequent shipment. 3.4 A Quick Overview of Merchandising Work: First Task- 1. Compiling and elucidating the objectives and samples of the buyer for new developments. 2. Arrange the necessary raw materials and discuss the new development target with the sample section. 3. Examine the software sample before sending it to the buyer. 4. Calculating accurate costs for all new projects and haggling over orders and prices with suppliers. Second Task- 1. Update the reservation space once the order has been authenticated. 2. Render TNA & BUDGET for the order confirmed and conduct the order on this basis. 3. Confirm the reservation to the manufacturer of Greige Yarn. 4. Make a list of material checks and regularly check for order processing. 18 | Page 5. Yarn and accessory reservations are made on time for confirmed orders. 6. Follow up to complete all paperwork clearance by following up with the commercial department. 7. Following the goods' in-houses I. Examine the stock II. If any shortages need to be reported to the supplier. III. EOLBREAK- Verify the yarn's dye lot and submit it to the buyer for approval (if needed)- Verify the acc Color 8. Quality: If required, submit the bulk quality for approval to the buyer before starting production I. Obtain the salesperson's approval for the trim card. II. Produce the output file. III. Examine every last confirmation, approval, and stock. 9. Follow-up on production I. Draft a development timeline and let the buyer know. I don't ask. Arrange for meeting with PP explain the condition of the purchaser. II. Verify the production report every day and let the buyer know. III. Schedule an in-line review and discuss if the buyer's remarks are being followed with the manufacturing floor. IV. Completed inspection plans. 10. Shipment monitoring I. Check the export office's dox delivery. II. Look up the product distribution document with the export division III. Request payment after the shipment. 11. Consult with buyers regarding any recurring orders and, if required, get sales data for any style. 3.5 Merchandiser's Roles • Coordination with other departments • Generation, Implementation, and Market Management • Understanding the value of working in a team • Helping the company to achieve its goals • Helping to fulfill customers' expectations • Representing buyers and transmitting messages to and from 3.6 Merchandisers' Difficulties • Systems for supporting decisions • Instantaneous Merchandising • Sensitive Production • The merging of functions • Relationship of partnership • Hearing and financial viewpoint • Internal and external relationships within companies 3.7 Management of Merchandising Merchandising management involves a merchant choosing what products to stock, how much to have on hand to meet customer demand, where to display them in the store to increase foot traffic, and how much to charge for them to make the most money. The goal of merchandise management extends beyond simply making sure their offerings meet the expectations of their clients. Along with being able to trace their inventories from when they are bought from manufacturers to when a consumer makes a purchase, they also need to be able to arrange and manage their inventory. All products need to be handled and stored carefully in the store to make it easy for customers to find what they want and easy to judge when the moment is appropriate. 3.8 Interdepartmental relationships and merchandise The operation of a production system for export houses or clothing involves a merchant significantly. A merchandiser must work in a factory with all divisions, just like a human body's blood must follow specific laws. The primary departments of the factory that the merchant closely collaborates with are depicted in the diagram below. 3.9 Promoting & Merchandising • Marketing functions on a group or corporate level inside the organization. Merchandising deals with the products at the retail level. • Through marketing, a business promotes itself. A brand is presented in the retail industry through merchandising. Marketing incentivizes Customers to purchase the company's products, which establishes a sense of brand and business. 3.10 Merchandising is built on communication Before manufacturing export orders, only the buyer and merchandiser communicate via a communication process to exchange information, queries, and export details. Customers express their needs and expectations to merchandisers through the presentation of general manuals and design-specific papers like Specification Papers, Bills of Materials, specifications, etc. A merchandiser deals with a range of individuals: existing clients for order follow-up, prospective new customers, departments such as production, pricing, inventory, accounts, delivery, etc., for order execution, suppliers for purchasing fabrics and accessories, and subordinates for appropriate direction and instructions. Retail. 3.11 Communication Channels Fashion merchandising uses a variety of communication channels to interact with suppliers and buyers. I. Talking on the phone II. Online correspondence III. Courier IV. Meeting via video V. Official gatherings VI. Prototyping virtually VII. Electronic sharing of data 3.12 Bargaining with Purchasers Getting the order to export clothing is the most critical task. Potential garment importers, also known as garment buyers, are typically the source of fabric export orders. Anybody who wishes to obtain clothing export orders has to be able to convince the customer. Once the buyer is convinced of the wardrobe's quality, pricing, production, and ability to be shipped to a wardrobe exporter, the business deal may be hazardous if there is a lack of mutual trust between the exporter and the buyer. Assume a clothing exporter can satisfactorily deal with two or three buyers regularly. In that scenario,

ensuring the seamless operation of the apparel production and export operations all year will be adequate. Successful negotiating outcomes typically result from a straightforward method rather than luck. The approach reflects varying degrees of expertise about the negotiation in the apparel industry. In a negotiation, each side tries to convince the other to agree with its position. Participants gain much knowledge about themselves and, naturally, about the other groups. The rationale behind negotiations in merchandising:

- Should it be necessary to reduce the cost or raise the product's price
- If you would like to get an order from a buyer or make a supplier order
- Should the production and shipping plan require adjustments

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- If you require the product selling price for mutual benefit or need to create a cost sheet
- If the terms and conditions for payment need to be lucrative and agreeable to both parties, etc.

The Fundamentals of Negotiation: The fundamental idea of negotiation is to "trade what is of greater value to the other party, but of low value to one party, thereby reducing the 'cost' of successful tone party." It is essential to realize that a negotiation is adequate if all sides gain from the resolution. Overview of the Negotiation Process-

1. Needs to be sufficiently aware of both parties' needs
2. Retailers need to make sure they are ready for the negotiation.
3. Go over the proposal.
4. More conversation
5. Completed or updated offer
6. Reaching a consensus

### 3.13 Handling of Order Processing

After receiving the fabric export order, merchandisers must promptly create a schedule for the tasks that must be completed to ensure the export order is carried out safely.

- Detailed examination of the export L/C
- Developing a Timetable for the Export Letter of Credit
- Gathering fabric and accessories for the garment that will be exported (source, amount, cost, receiving information, quantity, quality, item inspection, etc.)
- The division of duties and responsibilities
- Development Strategy
- Examining the manufactured clothing for quantity, quality, packaging, and additional customer needs
- Preparing the necessary paperwork for shipping and banking
- Constant advancement in follow-up
- Some other

### 3.14 Pricing Estimation

The main element of every clothing merchandising operation is cost. The procedures will be straightforward once the apparel merchandiser has a stable order price. I split the cost of sweater clothing because it's crucial to merchandise clothing here. Metrics for Clothing Cost Calculation- A merchandiser of sweater clothing should make sure the following things are true before pricing the clothing:

- Cost of Yarn per pound
- Cost of Embroidery per dozen
- The cost of printing a dozen
- Each dozen, the cost of making (CM)
- The cost of washing a dozen
- The cost of accessories such as zippers and buttons
- The cost of a commercial dozen
- Others Are Priced Per Dozen
- The next step for a sweater garment merchant is to determine the yarn's price and intended purpose.
- The following formula can be used to determine the value of yarn: 
$$= \left\{ \left( \text{Weight of garments in pounds per dozen} \right) + \% \text{ of waste} \right\} \left[ \text{Yarn cost per pound} \right]$$
- Usually, we add 10–20% waste, depending on the style.
- All other necessary expenses must be included in the total cost of the yarn after the yarn's pricing.

### 3.15 Development of Merchandising Partial to the Goals of the Buyer

The Offer sample The manufacturer's sold designs or concepts are shown via offer samples. The details, fitment, and performance may all be altered. Property rights, for instance, ought to be safeguarded.

Sample-1: The first sample is created by the drawing criteria, sample sequence, and sample comments.

Sample-2: It might be required if the initial sample was too distant from what was needed. Sample of sales: The first or second test results are used to create sales samples. Perfect, high quality, excellent fit. All information must be accurate. Having the proper tags, trimming, and accessories is crucial. An EAN code version is required for every sample striker.

Sample of approval: After the sales meetings, we could require some adjustments. Before placing the order and starting the production planning, we will review the design, fitting, and details again and might even ask for an approval test.

Sample of Size set: The purpose of size set samples is to ensure the style fits the product design department by providing specimens in a range of sizes for the measuring chart. Size sets, primarily utilized to fit varying lengths, can be created in readily available fabric nearly of the approved grade. The PP sample: A test known as pre-production ensures that everyone is on the same page about the manufacturing design. The style, layout, labels, and trimmings should all be precisely accurate based on the plan. The Shipment sample: A check was taken from the bulk production rather than being manufactured in the check room to ensure the production was made per our specifications. There is no way to modify the theme at this time. If possible, please provide examples of the several color combinations and sizes indicated in the order. The Photoshoot sample: Our primary customers and online selling organizations require picture examples before shipping the order.

### 3.16 The merchandiser's component of buyer preference

- Have to act decently, behave well, and speak clearly and concisely.
- Integrity and punctuality are essential.
- The RMG sector and industry should be well-versed in.
- Good group leaders and interactions in community-wise tasks are also required.
- Excellent sales presentation

### 3.17 Merchandiser's element of dislike among buyers

- Inadequate time management techniques
- Insufficient knowledge of the RMG industry and sector
- Ineffective communication abilities and subpar group performance

### 3.18 Records that must be kept up to date by the merchandiser

Credit letter (L/C): A documentary loan or banker's commercial credit is also represented by a credit letter (LC). It is a payment mechanism used in international trade to give an exporter of goods an economic assurance from a bank that is deemed creditworthy. In situations when it is difficult to determine the quality of contractual parties with certainty, letters of credit are frequently utilized in international trade finance. The economic effect is establishing a bank as an underwriter and taking on the buyer's credit risk to pay the seller for goods. L/C back-to-back: Two credit letters (LCs) used to make a payment jointly comprise a back-to-back credit letter (BCBL). When a vendor has to purchase the products they will sell to their buyer as part of the deal, or when there is an intermediary between the buyer and the seller, like a broker, a back-to-back credit letter is usually utilized. Order of production (PO): A production order should suit each buyer's style and contain all the information required for the PPC department to create a line loading plan. The definition of the number of types and models, dimensions, order amount, the quantity for each kind, fabric use, interlining and trim specifications, packaging instructions, tag specifications, etc., are all included in the manufacturing order. Materials list (BOM): One way to determine the necessary fabrics and trims would be to multiply the quantity of shirts the PO produces for a particular product. A bill of materials listing the required amounts is given for various trims, including buttons, zippers, cuff links, and sewing threads. The store receives the BOM to determine the appropriate amount of frames. Technical pack/specification sheet: This form is essential to the execution of any order. It includes every piece of technical data regarding the item's particular style, including facts about the interlining, fabric, tolerances, and style processing. It gives the information that is needed for many departments. For papers from the cutting department, for instance, those about marker usage and preparation. Report on order status: Senior merchandisers oversee an Excel spreadsheet in this order status report that reviews both models and their various actions. As a result, they could quickly monitor the development of a particular style. Free on Board, or FOB It is meant to imply "On Board Free." Until the products have gone through the ship's rail at the shipping port, the manufacturer is responsible for all costs and liabilities (including export licensing, export taxes, etc.); the goods must be approved for export. Immediately once the commodities pass the ship's railway, the buyer contracts for the items pay for them, and assumes all liability for loss or damage. Airport FOB (FOA) Except that the means of transportation is an air carrier, this concept is comparable to the FOB definition. He meets his duties when the manufacturer delivers the products to the air carrier. The products must be approved for export by the supplier.

## Section 4 Costing

### Methodology of Dekko ISHO Group (Garments Unit)

#### 4.0. Analyzing costs:

##### 4.1) Costs of Garments

Clothing costing is a handy tool for budgeting and establishing benchmarks for efficiency calculations. Utilizing scarce resources is aided by it, and it serves as a management control tool. Cost auditing and price determination are helped by it. It delivers an accurate cost analysis by process and operations and computes the cost per unit of manufactured goods. It determines the profitability of every manufactured interest and efficiently manages raw material inventories at different phases. Carries out cost-control measures. It assists in budget planning, aids in implementing budgetary control, and directs management in the creation and execution of incentive bonus schemes.

##### 4.2) Components of Prices

Costs are composed of three primary components. They include labor, materials, and other fees. Materials might be either direct or indirect. Labor: Direct or incidental. Extra costs: either direct or indirect. Overhead costs are considered indirect expenses. This comprises the overheads associated with production, administration, selling and distribution, and research and development. Splitting of Expenses

Some methods of dividing costs are listed below: Prime cost equals direct labor, direct materials, and direct expenses. The sum of the prime cost, factory overheads, administration overheads, and cost of production, as well as the costs of selling and distribution,

equals the cost of sale. Classifications of Costs The following categories of costs exist: nature, elements, analytics, functions, planning and control, normalcy, time, variability, controllability, and indirect costs. There are other categories for management costs. Prices can be categorized using analytical classification, elements, or nature: This covers costs, labor, and materials. Management Expenses The calculation of costs is done for managerial reasons. Marginal costs, replacement costs, opportunity costs, and costs that cannot be avoided are all included in this. Cost is a monetary indicator of the quantity of resources utilized to achieve a particular goal. Even in cases where the output volume changes for a specific period of time, the overall amount of fixed expenses remains stable. When production rises, fixed cost per unit falls, and when production decreases, it grows. The entire amount of variable expenses varies in direct proportion to the output volume. These unit costs don't alter as manufacturing levels do. Semi-variable costs are those that have some fixed expenses and some variable costs. The total of varying costs, which includes prime cost + variable overhead, is known as the marginal cost. One more production unit was manufactured at an additional expense. Total Cost / Number of Units Produced = Average cost.

Statement of Cost/Cost Sheet Among the cost sheet's details are Direct labor, direct materials, and direct costs. The work overheads are the prime costs. The administrative overhead is the work cost. The selling and distribution of overheads constitute the cost of manufacturing. For each of these, the total cost and the cost per unit need to be determined. A cost sheet can have any format you like. It could differ depending on the industry. This is an example of a cost sheet format. Recall that a cost sheet is an itemized statement summarising the different components of the overall cost of a specific product. Based on projected and historical prices, a cost sheet is created. The breakdown of the garment's cost In addition to the other duties, a merchandiser has to estimate the cost of each product. When estimating costs, one must consider the price of different raw materials, the business's running expenses, the competition, and the organization's anticipated profit. The buyer's cost expectations must also be taken into account. The following factors affect the cost of clothing: fabric, trimmings, CM (cost of making), printing, embroidery, washing, quality control, transportation expenses, and manufacturing organization profit. Woven/Kint Fabric The main component that affects clothing costs is fabric. 60–70% of the overall price of an item of clothing is made up of material. In many instances, determining the garment's quality and fabric consumption yields more accurate production costs than any other consideration. The fabric used for the garment determines how much it will cost. Kinds of Textile/Fabric: Yarn or fiber; woven or knitted fabric; power loom or automatic loom fabric; fabric, dyed fabric, fiber composition (cotton, wool, polyester, silk, blended fabric, etc.), type of dyeing and finish applied, weight (grams per square meter), type of yarn (ring-spun, open-ended, carded/combed, etc.).

4.3 Determine the Cost of Fabric The cost of fabrics can be computed as follows: Total cost of cloth manufacture. = (Costs associated with yarn, fabric manufacturing, dyeing, and finishing) Fabric Cost Calculation for a Garment The T-shirt's knitting fabric consumption can be computed using the formula below: Use of fabric in KG = (Body length + Sleeve length + allowance) \* (Chest + allowance) \* 2 \* GSM/10000 Consumption of Fabric in Woven Fabric Fabric consumption in meters can be used to calculate the woven fabric consumption for a shirt. = (Full length + Sleeve length + allowance) \* (Chest + allowance) \* 2 \* Fabric width/39.37 Using these techniques, the merchandiser approximates the amount of fabric consumed during the sampling phase. These algorithms will provide approximate figures for the garment's pre-costing stage. At times, the CAD department is also responsible for fabric usage. Sundries Every material utilized in the garment, except fabric, is a trim. As an illustration, consider threads, elastics, zippers, buttons, labels, and other little objects. The UOM of Trims Used in Garments can be summed up as follows: Different trims have distinct units of measurement (UOMs); even the same frame can have two or three different UOMs. Trims Unit of Measurement Thread Meter/Cone Labels Pcs Zippers Pcs Buttons Gross (144 Pcs) or GG (1728 Pcs) Polybag Pcs Carton Pcs Hangtag Pcs Shanks Gross (144 Pcs) or GG (1728 Pcs) Rivets Gross (144 Pcs) or GG (1728 Pcs) Hanger Pcs Tapes/Velcro Meter/Yds Elastic Meter/Yds Thread Another essential element in determining the cost is the thread. Typically, the IE department calculates thread use. There are instances where it is possible to calculate the amount of yarn used in sample preparation. In this instance, the pre-cost sheet shows that 10–15% wastage was retained. Labels Products have labels, like content, care, and major brands. The cost of the label is determined by the label's manufacturer, namely its fiber content—jacquard labels, printed labels, label sizes, label colors, etc. Zipper. The many kinds of zippers used on clothing, such as metallic and nylon zippers, significantly impact the price of zippers. Merchandisers must be well-versed in zipper dimensions to accurately estimate and negotiate prices. The minimum order quantity (MOQ) significantly impacts the zipper's price. Buttons. Buttons come in various materials, including plastic, nylon, acrylic, wood, shell, and metal. The button maker determines the MOQ for each type of button. 1 gr = 144 pieces. Polybags. The thickness, dimensions, and raw material significantly impact the cost of poly bags. The number of components determines the order of the poly bag. When we consider the whole order quantity, the price of the poly bag is an equally essential asset that makes a big difference. Cartons The type of material and the size of the carton have a significant impact on the price. These parameters determine the cost of cartons; typically, the quantity of cartons ordered determines the UOM and the cost increases with MOQ. The amount of plies, carton size, and GSM of the paper used to construct the carton are considered while making this purchase. Typically, carton boxes have three, seven, or nine plies. For instance: 9 plies, 60\*40\*40, four side calico, one side print, and 180 GSM. Hand Tags. Price tags, or hand tags, are used as packing material. The cost of hand tags varies depending on the material, printing, and minimum order quantity. Shanks and Rivets. Metal is used for rivets and shanks, two types of trim. Shanks and pins have UOMs of gross and no of, respectively. Shanks and rivets vary in price based on the material and minimum order quantity. Hangers. Most hangers are composed of rigid plastic, though occasionally wood is used. The price of a hanger is determined by its size, color, print, and material. Transparent hangers are typically more expensive than colored ones. Tags and Velcro Mobil tapes are bought in kilograms, while regular tapes are accepted according to width. Hence, a 100% increase in breadth results in an 80% rise in cost. A 150% increase in width results in a 250% cost increase for satin tapes. MOQ is another element that influences price. 4.4 The Sundries Charges equation. Typically, trim charges are computed based on the various sourcing scenarios and modes of transportation. Consider an air shipment. Depending on the freight costs, the buyer is quoted a price that includes the trim fee plus an additional 15–25%. Depending on the freight expenses, the buyer is charged a cost that provides for trimmings plus an extra 10% to 15%. Transportation costs and local taxes are given when using domestic sources, and they will undoubtedly increase the trip's overall cost. Depending on the business perspective, the merchandiser makes these additions. 4.5 Cost of Manufacturing (CM) CM is computed by the total monthly manufacturing cost multiplied by the number of hours required to create the style and divided by the quantity of units produced. If a contractor is involved in the creation, the contractor's profit is added to this sum. Cost of labor per minute = (Operator monthly salary / Total monthly available minutes) @100% efficiency. Cost of CM = (Each Garments SAM \* Minute cost of the labor)/Line efficiency (%). Printing/Embroidery and washing. Special techniques, including embroidery, printing, and washing, have been added to the price to give the desired look to customers. These are related expenses for the production of clothing, chemicals used in wet processing, laundry, and contracted services. Chemicals used in damp processing include resins, softeners, neutralizers, bleaches, and detergents. As an illustration, the following size for a polo neck T-shirt and the number of units have been assumed. = 5000, the salary of the operator = 8000 Tk./month=100\$/month no. of Working Days = 26, Line Efficiency =50%, Sewing SAM= 15 min., Cutting SAM= 7 min. 80 BDT = \$1, Chest = 60 cm, Length (HSP to waist) = 78 CM, Sleeve length = 28 CM. S/J fabric made of 100% cotton, 2/60s, was utilized. 18 is GSM. 4.6 Figuring Out the Fabric Usage Use of fabric in KG = (Body Length + Sleeve Length + Allowance) X (Chest + Allowance) \* 2 \* GSM/10000 = (78 + 28 + 2) \* (60 + 1) \* 2 \* 180/10000 =237.12 Kg. 4.7 Computation of Charges for CM. The monthly total available capacity is used to compute CM charges. = 26 Working days \* 8 hours per day \* 60 = 12,480 minutes. Cost of Labor per Minute. Cost of labor per minute = (Operator pay per month / Minutes available overall for the month) at 100% = 8000/12480 =0.64 (Taka). Cost of Sewing Cost of Sewing = (SAM of the garment \* Minute cost of the labor)/Line efficiency (percent) =15\*0.64/50 =0.192 Dllr Cost of Cutting, Cost of Cutting = ( SAM of cutting \* Minute cost of the labor) / cutting efficiency (percent) = 7\*0.64/50 =0.0896 dollars. The cost of trimming is estimated to be 0.08 dollars, contingent on the number of operators involved. Cost of Garment Production (CMT) Production cost of garment (CMT) = sewing cost + cutting cost + trimming cost = 0.192+0.0896+0.08 = 0.362 dollars. 4.8 Cost Sheet for Specimen of Woven Garments (Full Sleeve



