



Clothing & Apparel

- A** Low import prices are strangling an industry
- B** Inventory and service innovation have tilted the playing field in our favour

State of play

South Africa's footwear industry suffered a near-fatal setback between 1991 and 2006. Imports skyrocketed by 731%, local production decreased by 57% and employment was down by 55%. Industry players recognised the need to urgently re-evaluate the way they do business.

Global exporters enjoy a clear pricing advantage over local manufacturers. Cargo Carriers has been able to trump this advantage by creating an inventory and service solution that enables local players to increase market share and margins in the face of global competition.

Logistics and supply chain innovation

Strategically: Applying the Theory of Constraints methodology (a highly successful business improvement methodology) enables us to design and continuously improve client solutions across the supply chain, with low risk and extremely high returns.

Continuously removing or modifying the restraint in a value chain is particularly appealing in the volatile clothing and apparel industry.

Our methodology provides customised logistics solutions designed to improve any or all functions of the supply chain – from raw material management to sales and distribution.

In addressing the logistical challenges of a leading South African footwear manufacturer, Cargo Carriers recommended and facilitated the shift from make-to-order to make-to-availability.

Optimising inventory levels and re-engineering delivery methodology led to an increase in flexibility, availability and service, nullifying the of cost/price advantage and exposing the weakness of long lead times in global supply chains – an especially negative factor in the fashion industry.

Clearly, local businesses in clothing and apparel can stand up to global competition with the help of supply chain innovation. So confident are we

that we are happy to forgo consulting fees in favour of flexible operational contracts and success-based rewards.

Operationally: Cargo Carriers formulates and implements value-creating strategies that help clients to become more competitive – be it through improving product availability at the Point of Sale or by increasing distribution efficiencies.

The make-to-availability solution maintains optimum inventory levels of raw material, work-in-progress and finished goods. It employs the appropriate high-service delivery methodology, enabling immediate delivery on request at any time – shortening lead times and maximising availability.

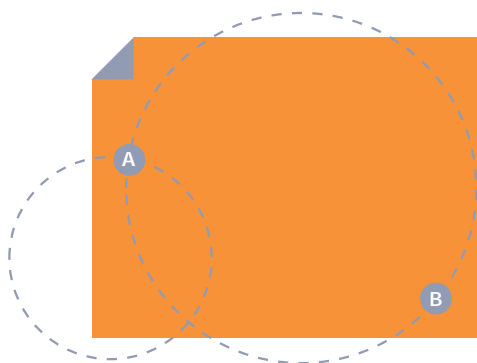
The result is that production runs are shortened and product is distributed to more locations more frequently. Evidence shows that the sales and margins gains outweigh increased operational expenses. The process can be easily facilitated through our Symphony software which integrates with client ERP systems.

Client value-creation

Choose a logistics and supply chain service provider who offers you:

- High service levels and innovative solutions that deliver improved sales and margins
- Greater visibility and flexibility in both inbound and outbound supply chains
- Better inventory management capabilities
- High SHEQ and BBBEE scores
- Apparel industry experience and expertise
- Benefits of a strong balance sheet

Experts in supply chain and logistics services, Cargo Carriers continually seeks out ways to innovate new efficiencies for effective supply chain management. Find out how we can help you create more value. Call us on +27 11 485 8700 or e-mail marketing@cargocarriers.co.za



Ⓐ The supply chain should never be interrupted

Ⓑ Solutions don't always arise from the bottlenecks