

LEVERAGING COPQ TO ENHANCE COMPETITIVENESS OF INDIAN APPAREL INDUSTRY A HIDDEN OPPORTUNITY

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ABSTRACT

Apparel industry is one of the fastest growing industries which have helped improve the nation's economy and provide employment to millions of people. Although the apparel exports have steadily grown, growth rate of Indian apparel exports is not at par with countries like China, Bangladesh.

SWOT analysis of the Indian apparel industry revealed clearly there is a need to reduce the manufacturing cost, improve quality and reduce turnaround time. Further in-depth study of the costing module revealed significant manpower was being used to process monitoring and process corrections. The key factor identified was "not being right the first time".

The concept of Quality costs was brought in and effort was made to capture the Cost of Poor quality or COPQ. COPQ was captured under 4 subgroups, External failure, internal failure, appraisal and prevention costs. A case study of 1200 machines factory was taken up and results were startling, 39.76% of the conversion cost was being contributed by cost of poor quality or COPQ and an annual loss of 17.17 crores. Hence the reducing the COPQ there is a direct impact on bottom line and provides a competitive advantage for Indian apparel exports.

KEYWORDS: Fastest Growing Industries, COPQ, Product Diversity, Flexibility