The University for
World-Class Professionals

Manchester Metropolitan University

Designers with business skills and supply chain insight

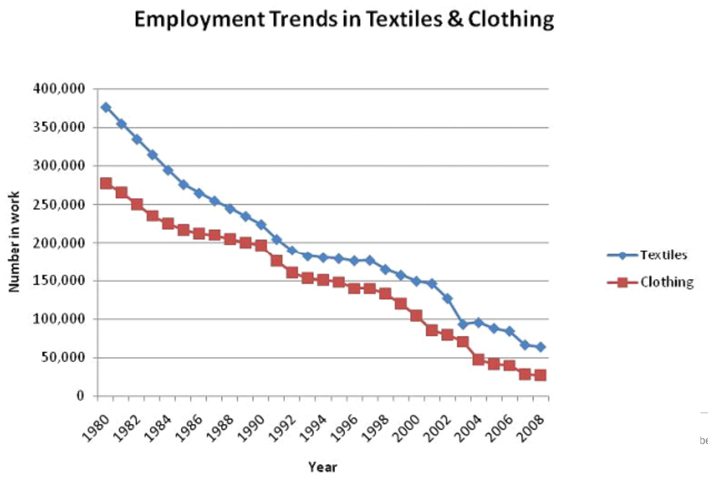
David Tyler

Department of Clothing Design & Technology
Hollings Campus
Manchester Metropolitan University

The University for
World-Class Professionals

Manchester Metropolitan University

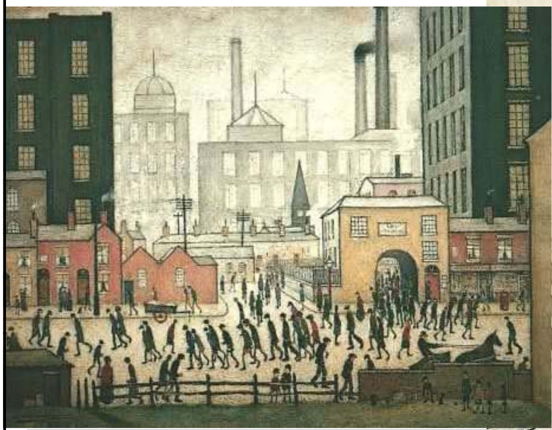
The Decline of Manufacturing Industry

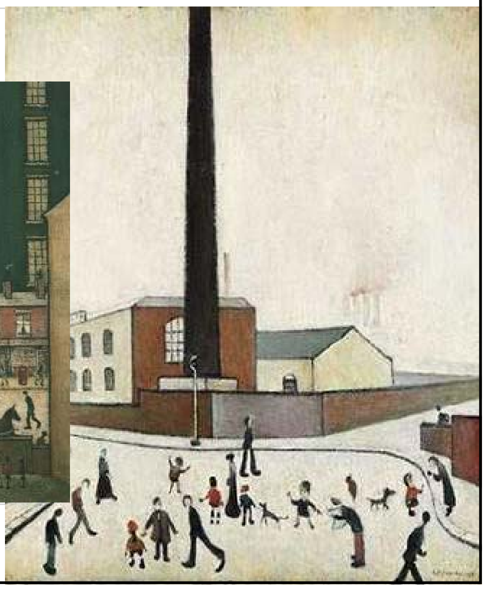


The University for
World-Class Professionals

Manchester Metropolitan University

An industry in decline …





The University for
World-Class Professionals

Manchester Metropolitan University

Cluster Mapping Project - Aims

- To map North West fashion and clothing businesses
- To identify the types of companies within the supply chain
- To identify the key drivers in relation to the economy
- To identify and define key sub clusters

Drivers for this research: As a Department, our perception of the apparel sector is that it is not dying, but changing. From our experience, the sector creates jobs, is financially very significant and can be described as vibrant!

The University for
World-Class Professionals

Manchester Metropolitan University

Cluster Companies

- included all participating in the supply chain from design up to retail (but not including retail sales nor fabric supply)
- The design and sourcing functions of retailers (including Matalan, Littlewoods and Shop Direct) were included as part of the cluster

The University for
World-Class Professionals

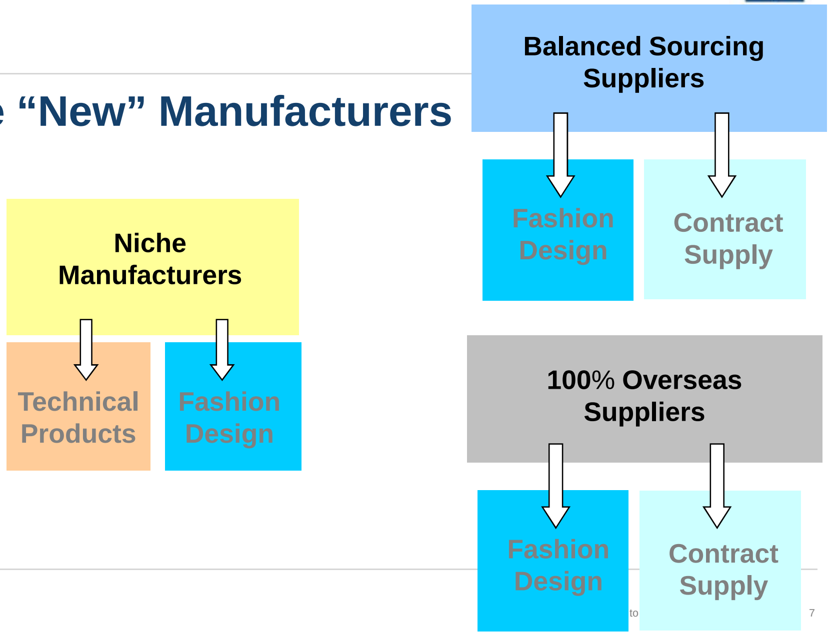
Manchester Metropolitan University

Why was the Research Necessary?

- Inappropriate / out of date classification
  - SIC codes (Standard Industrial Classification)
  - traditional typologies
- Inaccurate records
  - Most databases we came across were seriously deficient in terms of coverage and the quality of the information
- Policy issues
  - National and Regional support programmes had adopted a cluster development strategy, but were still reacting to the story of decline in manufacturing as revealed by SIC statistics.

The University for
World-Class Professionals

The “New” Manufacturers



7

The University for
World-Class Professionals

Manchester Metropolitan University

Cluster Overview: NW England

- Logistics & Warehousing
- Cutting Services
- Pattern Services
- Commodity suppliers
- IT systems & suppliers
- Embroidery/embellishment
- Equipment suppliers
- Auditing Services
- Testing labs
- Recycling & Reuse
- Apparel support agencies
- Apparel Education

- Assembly & Source
- Design & Assembly
- Assembly (CMT)
- Design, Assembly, Source
- Design & Source
- Source
- Design
- Wholesale
- Accessories: ties, hats, scarves, handbags, etc

- Processing
- Clothing Rental, Workwear & laundries
- Distribution & Logistics
- Advertising, Photography, Model Agencies, Fashion magazines
- Consultants: export, management, sourcing, marketing, image
- Fashion Show organisers
- Agents: sales, sourcing, recruitment
- Alteration Services

8

People in Employment

- SIC codes indicate in 2003 there were 6,009 people employed in the NW England "Wearing Apparel" companies
- The initial findings of our survey is that 55,000 people were employed in NW England in the more broadly defined apparel cluster

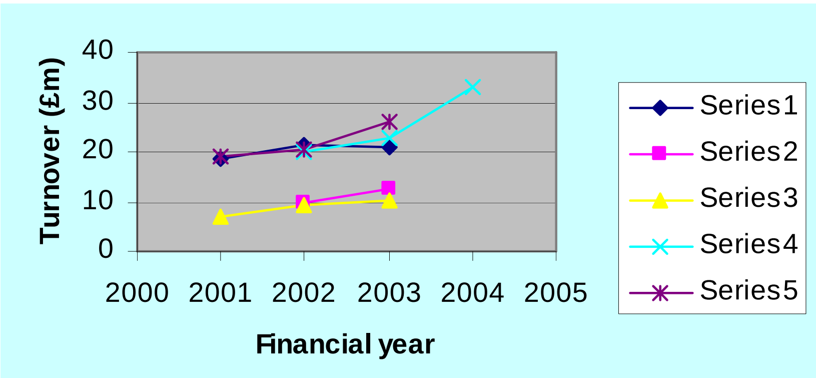
Economic Impact of Apparel

- SIC codes indicate in 2003 there was a contribution to the economy of £680 million (estimated)
- The initial findings of our survey is that the more broadly defined apparel cluster contributes £3 billion (estimated)

Companies in the Apparel Cluster

- SIC codes indicate in 2003 the number of companies was 540
- The initial finding of our survey is that the more broadly defined apparel cluster comprises 2784 companies

Financial performance



Five larger companies: all operating in niche markets, with an emphasis on service and design-led products.

Some Initial Conclusions:

- SIC codes do not give a true picture of the state of the industry
- The emerging cluster is strongly heterogeneous
- The region employs more people than published data indicates
- Regional turnover is an estimated £3 billion
- Companies may be employing less people but many have a large turnover
- Growing companies are design-led, have a clear product focus and a clear market strategy

Implications for Design and New Product Development

- Manufacturing is in decline, because of ready access to overseas suppliers with low labour costs
- The manufacturing that is retained involves small batches, high skill requirements and short lead times
- Supply chain management is crucial for successful operations, requiring a whole range of skills
- Innovative product development, involving inputs from designers, technologists and marketing specialists, is a major driver
- Interfaces with Retail are critical for success, as there are few strong companies that operate outside retailing

The University for
World-Class Professionals

Manchester Metropolitan University

Updating the Strategy for NPD - 1

➢Globalisation brings change!

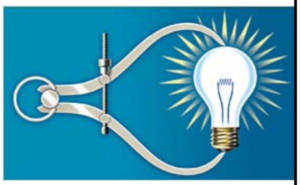
➢The decline in domestic manufacturing means there are fewer specialists with “hands-on” experience of traditional industries (spinning, weaving/knitting, dyeing & finishing, cutting and making-up) – and fewer people who can offer good advice.

➢Numerous challenges affecting communication with suppliers

The University for
World-Class Professionals

Manchester Metropolitan University

Updating the Strategy for NPD - 2



➢Every Business needs an innovation strategy.

➢New Product Development procedures need to consider the expertise that is supplied in-house, that found locally and that provided by offshore suppliers.

➢Design skills needs to be developed – not for the industry as we knew it – but compatible with the emerging local industrial cluster, offshore partners and customers.

Solutions via organisational change

Cross-functional teams: The minimum requirement is a designer and a technologist working together regularly. Usually, there are more disciplines present.

Solutions via organisational change

Product-Process design department: A single department is set up with responsibility for both product and process.

This is potentially a strong and robust solution, requiring good interpersonal skills and an ideal environment for cross-training. However, the challenge is to avoid easy compromises and uninspiring products.

The University for
World-Class Professionals

Thank you!

Manchester Metropolitan University

Contact Information:

Department of Clothing Design & Technology
Hollings Faculty,
Manchester Metropolitan University
Old Hall Lane,
Manchester, M14 6HR.

David J. Tyler
Tel: 0161 247 2636
Email: d.tyler@mmu.ac.uk

Angela Peers
Tel: 0161 247 2656
Email: a.peers@mmu.ac.uk