

PRODUCTIVITY | FACT SHEET

Sustainable Productivity Improvement in the RMG Industry

BACKGROUND

The international apparel trade is fiercely competitive. Market pressures on price, quality and delivery time are severe.

Productivity levels of the Bangladesh RMG sector are low compared to regional competitors.

To address this issue, PROGRESS initiated the Competitiveness Enhancement Program (CEP) for sustainable productivity improvements and social compliance.

CEP was implemented in partnership with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and assisted by Rajesh Bheda Consulting.

In its pilot phase, CEP established a productivity improvement cell at BGMEA and introduced productivity improvements in ten apparel factories in Bangladesh.

ASSESSMENT FINDINGS

Baseline assessments of the pilot factories showed over-employment in non-productive functions. In some instances, the ratio of sewing operators to all workers was almost 1:3 (standard ratio is 1:1).

Production rather than productivity was the main focus of operations.

Substantial fabric waste was incurred in the production process.

As bottlenecks were not regularly targeted and eliminated, a high number of workers were idle.

Most factories did not have operator skill matrices.

Usage of attachments and work aids was limited.

In most factories, bundle integrity was not maintained (contd. p.2).

BEFORE: The fabric is manually guided for stitching. This operation requires skill, which results in inconsistent quality.



AFTER: The introduction of a fabric guiding attachment deskills the operation and ensures consistent quality.



- Production stoppages due to lack of accessories were frequent.
- Significant material savings could be realized through rationalization of patterns, seam allowances and trims and accessories.

STEPS TO HIGHER PRODUCTIVITY

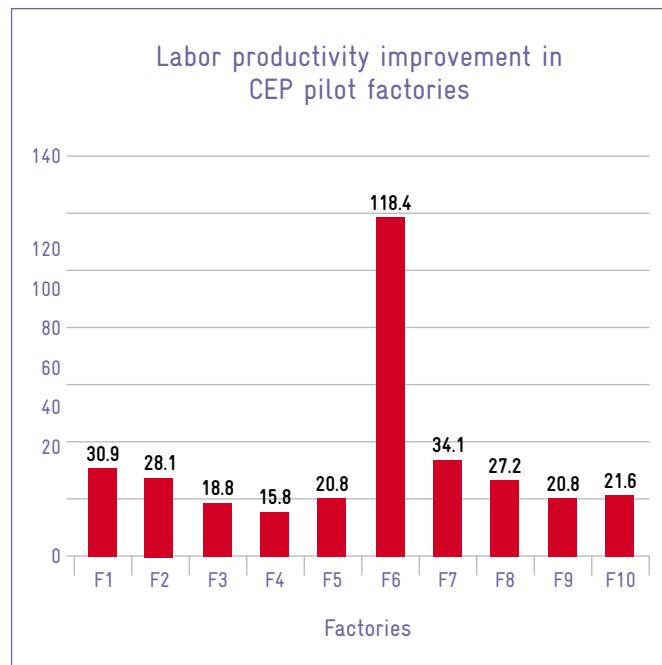
- Set up factory improvement teams including members of work study departments.
- Measure pilot line and factory baseline performance.
- Reengineer production line through improvement of critical operations, process flow, layout and line balancing.
- Establish systems for measurement and analysis of productivity performance.
- Conduct training in team problem solving.
- Involve factory staff from other departments to build their capacity.
- Develop roadmap for rolling out productivity improvement initiatives.
- Assess impact and present final results.

LESSONS LEARNED

- Visible top management commitment and involvement is crucial to securing employee buy-in to productivity improvement changes.
- Training must be provided to key production staff in order to secure acceptance of improvement initiatives.
- Factory ownership of the initiatives ensures speedy learning and faster implementation.
- Change should not be imposed on production departments. Work study and production departments should plan and implement productivity improvement as a team.
- Management should recognize and award factory improvement teams (FIT) and pilot lines to encourage participation.
- To streamline implementation, FITs should be delegated decision-making and financial authority.
- Shop floor productivity improvements can be sustained only if top management defines and communicates a gain-sharing plan with the factory team.

KEY RESULTS

- The average productivity improvement of the pilot lines was 33.65%. Most factories achieved productivity gains of 20 to 35%.
- The total annual cost saving realized is estimated at 20 million takas. Many factories have since applied these measures to other lines, thus realizing further savings.
- Waste reduction in fabric and trims was also achieved, which has cost and environmental implications.
- Over 80 factory personnel were trained in productivity improvement methods, and another 150 received orientation in fundamental productivity concepts.
- BGMEA now has a productivity improvement cell, which will provide productivity improvement services to its members.



FOR MORE INFORMATION
 Mr. Lutful Kabir
 PROGRESS, Senior Business Advisor
 Email: lutful.kabir@gtz.de

Dr. Rajesh Bheda
 Principal and CEO, RBC
 Email: rajesh.bheda@gmail.com



Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
 - German Technical Cooperation -

GTZ - Office Dhaka
 Road 90, House 10/C
 Gulshan 2, Dhaka 1212
 Bangladesh

T +88-02-8823 070
 F +88-02-8823 099
 E gtz-bangladesh@gtz.de
 I www.gtz.de/bangladesh