



Email Address: [standon@standonconsulting.com](mailto:standon@standonconsulting.com)

Telephone: 09322260941

## Textile manufacturing units - A business model revamp?

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Its turbulent times for the textile manufacturing sector. Increased competition, the dollar woes, added to so many already in existence. Everyone waits, and asks, discussions take place, sound bytes recorded, concessions sought. Hoping and waiting. Real bad scene, all murmur. And call up their consultants to follow up on the expansion plans. Crazy? But true. All around, howls of too much competition, and, more coming up.

So, facts, the margins are squeezed and going to get tighter. Competition is tough and getting more so. Like it, or lump it. This is the industry scenario and in this, you have to make money. What then, are the options? Before we go deeper into this. Let us look around. It is not as if this is unique to the Textile industry. Other areas have seen such times, and may be worse.

The example of the Mobile industry is glaring. From sale price unit of 24 Rs. per minute and incoming paid for, to 10 paise per unit and incoming free. Yet, they are making more money today. Its obvious, when planned; no project could have forecast a revenue downswing of more than 99%. Thus the money making model of that time, is obviously not making them the money. Then, how? They saw the events unfold, and changed accordingly. Not just what they were doing, but how they were doing. An entire business manual can be written in this saga. Enough for us to take a cue from this example.

So its not that for you to make money out of a declining revenue business you have to change the business, or even for that matter change the technology. What you need to change, is the mindset, the way you do business, where you focus, and more importantly, where your team and unit focus.

You would retort, aren't they the same. Yes, theoretically so. But our experience shows to the contrary many a times. More on that later.

I think it's time to remodel the way we run our business. Emphasis on business remodelling. And our business? Primarily, making money. The route to it? Customer satisfaction. Or, is mere satisfaction enough? Why not customer happiness? For long, we have tried to cater to the needs of the customer. Bound to be a margin squeeze there, for his need is defined, and something that has been defined and frozen gives that much less opportunity for extracting perceived value. Satisfaction, or his need, is defined, specified and a cost assigned to it by him. Happiness, is not, and the price he may pay for that happiness over and above the cost he is willing to pay for the need, open.

Reaching out, beyond satisfaction is the challenge. Defining and measuring happiness in the textile industry context is something novel. Do we recall a customer happiness survey conducted by any textile unit/association? Rankings on the diff things that makes a customer happy? I don't think we have even listed what makes him happy.

Yes we grade our fabrics as per international norms of points etc and ISO systems etc. That's quantitative satisfaction. What about service? What about really understanding his processes further on? And what is that we can do to help him save or make money there? Can we use our expertise, to create value for him at that point and beyond? Eg. Mobile again. It is no longer just a phone, and major portion of money is made in non phone usage and not in talking. The mobile companies developed that potential for the customer. He pays for the happiness. Similar technological potential may not exist in fabric itself. Still, if by refining the product, and delving into what more we can do for the customer, we can make him happier, am sure it will pay dividends.

This is food for thought at this moment. Maybe it will stimulate some reaction and discussion. Even if it pauses and makes one think, the purpose will be served.

- See more at: <http://www.fibre2fashion.com/industry-article/3125/textile-manufacturing-units-a-business-model-revamp#sthash.t3nvoiOu.dpuf>