Chapter - 8

FINDINGS AND SUGGESTIONS

1. INTRODUCTION:

Textiles is amongst those sectors in the Indian industrial arena that is relatively self-reliant and integrated in terms of the value chain, i.e. actors within India are involved from production of various raw material and inputs to some of the most value added products in garments and made-ups.

A few dynamic entrepreneurs have now ventured in the knitting units by availing the TUF’s scheme and NCDC (State Government) schemes. Some others have got new shuttleless looms and Ruti-C type of looms and catering to domestic as well as export markets.

2. FINDINGS:

The biggest challenge facing the marketing of powerloom fabric in Ichalkaranji is the supply chain management and the effective integration of the various sectors of the textile industry. The most of powerloom fabric manufacturing units and trading firms are family managed. In order to overcome the various challenges outlined here and as a measure of good corporate governance, ownership needs to be diverted and distinct from management control.

In India Maharashtra, Gujarat and Tamilnadu are major States where Textile Industry has significant role to play in growth of India’s Textile Industry. There are basically seven main powerloom centers in the country namely Bhiwandi, Surat, Salem / Erode, Ichalkaranji, Solapur, Malegaon, Buranpur. Ichalkaranji Powerloom Centre is known for Cotton Dhoti, Cambric, Mulmul, and Suiting etc. The main weakness of Ichalkaranji Powerloom Fabric Market is no access of market information to the powerloom fabric manufacturers. However, an opportunity of growing domestic and International Market can be used for developing Ichalkaranji Powerloom Fabric Market.

The powerloom fabric market of Ichalkaranji has major threat of slow improvement in quality to international standards and adoptations to fast changing
fashion demand. The reason for slow improvement in quality is powerloom fabric manufacturers and traders have not understood the importance of total quality management. Total quality management means ‘entire customer satisfaction’.

Channel conflict in Ichalkaranji Powerloom Fabric Market causes tension among the yarn traders, powerloom fabric manufacturers and fabric traders. Modernization of weaving looms has taken place, however the product development has not taken place as per modernization. Modern weaving looms are used to produce same fabric, which can be produced on plain powerlooms.

The most of powerloom fabric manufacturers face working capital problem. In addition to this the fluctuations in yarn prices badly affects powerloom fabric production cost. It is also found that the powerloom fabric manufacturers are not organized compared to yarn and fabric traders, which is adversely affecting to get higher price for powerloom fabric in Ichalkaranji’s Powerloom Fabric Market. 42% powerloom fabric manufacturers use 60s count yarn. The yarn traders who are supplying 60s count yarn influence yarn prices. It is also found that 72% of the fabric is produced on powerloom where as 28% of the fabric is produced on Autoloom and Shuttleless looms.

The cash in hand and cash at bank with powerloom fabric manufacturer is nearly Rs. 5 Lakhs whereas fabric traders cash in hand and cash at bank is up to Rs. 40 Lakhs. This clearly indicates powerloom fabric manufacturers badly face working capital problems.

3. CONSTRAINTS AND GAPS IN ICHALKARANJI POWERLOOM FABRIC MARKET:

i. Poor market information on demand trends.

ii. Poor direct market linkages. (Export / Corporate / Retailers / Consumers) in the National and Global Value Chain.

iii. In adequate design development.

iv. Poor product development.

v. High fluctuations in procurement price affecting capacity utilization and value accruals to weavers / master weavers.
4. RECOMMENDATIONS:

i. Establish of a business information centre at an appropriate institutions / association.

ii. Powerloom Fabric Manufacturers should participate in fairs.

iii. Design development initiatives should be undertaken through private and public service providers.

iv. Exposure visits to other clusters / fairs – training on product manufacturing (Home Furnishing and Garments) should be organized.

v. Raw-Material Banks should be established.

vi. **Benchmarking Performance:**

   Enterprises need to develop a mechanism to compare performance with competitors in other countries. Benchmarking with most efficient producers on all cost parameters is a must to improve the performance and remain competitive in the globalised scenario.

vii. **Better Value Chain Management:**

   Improved value chain management can reduce costs and increase flexibility. A wide sourcing base can increase flexibility when it comes to securing raw material from the cheapest source with the quality and design the buyer expects. Such flexibility will be a critical competitive factor in the future. By optimizing the supply chain, lead time will also be reduced.

viii. **Increase Productivity:**

   Investment in human capital and high tech machinery to increase productivity and production of Internationally cost and quality competitive goods.

ix. **Quality Consciousness:**

   To survive in the integrated world market, the industry has to focus on the internal standards of quality and excellence. To achieve internationally comparable and quality standard finished goods, it has to be ensured that
quality parameters are maintained at each level of production from raw material to the finished product.

x. **Modern Management Practices:**

Along with technology upgradation, adoption of modern management practices is also very essential to acquire that essential competitive edge. Management practices like JIT, TQM, supply chain management etc. form an important link between technology adoption and acquisition of competitiveness. Adoption of such practices will result in cut down in manufacture and delivery lead time, improving product and process quality and improving plant and equipment maintenance. Management accountability through stricter code of corporate governance is also necessary for balance corporate growth.

xi. **Distinctive Capabilities:**

The 'Mantra' for survival of textile units in the globalised economy will be to have distinctive capabilities. Each of the textile units, irrespective of the segments they are operating in, will necessarily have to develop distinctive capabilities and identity around which its growth can be centered. Textile units will also have to identify their areas of strengths and core competence to focus on such areas only, vacating areas in which they are vulnerable to the threat of import penetration.

xii. **Innovative Products:**

The industry has to focus on innovation for surviving the stiff international competition. 'Production innovation' should be considered as a dynamic process and not as a one time process. Continuous innovation in the product is the sure way to win the race in the global market.

xiii. **Develop 'e - Application':**

E - Applications can be employed not only to sell, but also to exchange information across electronic networks at any stage of the supply chain. E - applications facilitate sourcing and supply chain management, production planning, design and forward integration, including Internet Sales. The main
goal of e-applications is to increase flexibility and to shorten the overall value chain, thus reducing lead time. A shift to e-applications also highlights that a company is both competitive and willing to adjust to the demands of the market.

xiv. Going Transactional:

Pro-active textile units should examine the feasibility of going transnational to reap the real benefits of globalisation of trade.

Maharashtra's Textile Industry, undoubtedly, one of the most significant and vibrant segment of the Maharashtra's economy standing on the threshold of free trade has to synergise and optimise its distinctive strengths in terms of integrated value chain, raw material intellectual capital, knowledge base, information technology and entrepreneurial skills to achieve 'World Class' status for meeting successfully the challenges thrown up by an increasingly consumer driven integrated world market.

xv. Strategic Moves:

1. Innovate at all stages - fibre to garments.
2. Move up the value chain in Textiles through Research and Development Build World Class Quality in product and manufacturing.
3. Increase capacities and efficiencies to ensure economies of scale.

xvi. Action Plan for Government:

Indian Government needs to develop a strategic approach to tackle with the challenges of the quota free textile market. The action plan has to be based on partnership of government and the industry. The government has to provide conductive policy environment to strengthen the fundamentals of the industry, while industry has to formulate its action plan at the micro level for achieving international competitiveness.

The Agenda for Government could be on the following lines:-

1. Attracting foreign investments by display of potential.
2. Develop an organisation, which will be offering quality training programmes continuously in the area of Export and Import Market, product development, Total Quality Management, to the decentralised textile centres in Maharashtra.

3. State Government should make availability of continuous power supply to the Industry.

xvii. What the Textile Industry should aim?

Several aspects have come to the limelight that we as the India's Textile Industry should focus upon. The responsibility lies with many, both within, allied to and outside the gamut of Textile. With a clear vision of the key levers of success, strategic Intent is required. The activities for success include the Government, Industry Associations and the organizations.

The India's Textile Industry should aim to become the most preferred and competitive textile hub for global sourcing. This can be achieved through a strategy called out from leveraging the strengths and opportunities and combating the weaknesses and challenges.

5. CONCLUSION:

The major problem area for the powerloom sector is not relating to the technical side but the highly sophisticated marketing arena where one has to pay the role effectively. Due to the present pre-occupation with traditional textile products, the small weavers are not having the rudimentary knowledge and management skills in the area of marketing. In majority of the cases, the proprietary status is prevailing and therefore the powerloom owners are not having sufficient time or knowledge to undertake marketing activities. The changing market conditions demand that the manufacturers are capable of performing their roles as marketers of their products.

The Textile Industry in Ichalkaranji is one of the few industries which have the potential to emerge as a true global player. A well-devised action plan coupled with effective delivery mechanism can see Ichalkaranji is emerging as a winner in the quota free market.