



Participant Handbook

Sector
Apparel

Sub-Sector
Apparel

Occupation
Export Manager – Stitched Items Operations

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**Export Manager –
Stitched Items**

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Prime Minister of India

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Skill development of the new generation is a national need and is the foundation of Aatmnirbhar Bharat

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SKILLING CONTENT: PARTICIPANT HANDBOOK

Complying to National Occupational Standards of

Job Role/ Qualification Pack: **'Export Manager – Stitched Items'** QP No. **'AMH/Q1602, NSQF Level 6'**

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This participant handbook is dedicated to the aspiring youth who desire to achieve special skills which will be a lifelong asset for their future endeavours.

About this book

Welcome to the “Export Manager – Stitched Items” training programme. This PHB is designed to provide participants with comprehensive knowledge about the principles and practices of maintaining security, ensuring vigilance, and safeguarding premises. It also focuses on planning, executing, and managing routine security tasks, conducting inspections, and verifying the integrity of individuals and documents as part of field operations.

This Participant Handbook is designed based on the Qualification Pack (QP) under the National Skill Qualification framework (NSQF) and it comprises of the following National Occupational Standards (NOS)/ topics and additional topics.

1. AMH/N1601: Manage Export Manager – Stitched Items marketing operations
2. AMH/N1604: Analyze foreign trade logistics
3. AMH/N1605: Maintaining a healthy, safe and secure working environment in the organization with Gender and PwD Sensitization
4. AMH/N1606: Planning for Export Manager – Stitched Items
5. AMH/N1607: Ensure Shipping Compliance
6. AMH/N1608: Manage Export Manager – Stitched Items processes and check documentation
7. AMH/N1609: Supervise and evaluate performance
8. AMH/N0622: Ensure adherence to industry, regulatory, and organizational standards, while incorporating the principles of environmental sustainability
9. DGT/VSQ/N0103: Employability Skills (90 Hours)

Symbols Used



Key Learning
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Unit
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1. Introduction and Orientation to Export Manager – Stitched Items Manager – Stitched Items



Unit 1.1 - Foundations of Fashion Consulting



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Describe the job responsibilities of an Export Manager – Stitched Items Manager – Stitched Items.
2. Describe the role of Export Manager – Stitched Items department in an organisation.

UNIT 1.1: Foundations of Fashion Consulting

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the role of an export manager in stitched items
2. Describe the core responsibilities in export management
3. Analyse the impact of export management on organisational operations and growth.

1.1.1 Role of an Export Manager in Stitched Items

India's apparel business, particularly the stitched garments sector, is important in the global textile trade due to its long history, skilled labour, and competitive production capabilities. With exports accounting for a significant amount of revenue for many clothing manufacturers, the function of the Export Manager is critical. The Export Manager serves as a liaison between domestic manufacturing units and overseas markets, ensuring that products satisfy global standards while negotiating complicated trade legislation and market dynamics. Their strategic and operational tasks have a direct impact on a company's worldwide success and growth in the highly competitive garment export market.



Fig. 1.1.1: Garment export order execution process in a manufacturing factory

Below is an overview of their key roles:

1. **Market Research and Client Acquisition:** The Export Manager identifies potential international markets and clients for stitched garments through research, trade fairs, and digital platforms. They evaluate demand trends, competition, and market entry conditions.
2. **Product Coordination and Customisation:** They work closely with the production and design teams to ensure that the stitched items meet the quality standards, specifications, and cultural preferences of international buyers.
3. **Regulatory Compliance and Documentation:** The manager ensures that all shipments comply with export regulations, customs requirements, and international trade laws. This includes preparing essential documents such as invoices, packing lists, certificates of origin, and shipping bills.
4. **Logistics and Supply Chain Management:** They coordinate with freight forwarders, customs brokers, and shipping agencies to ensure the timely and cost-effective delivery of goods to international clients.

5. **Pricing and Payment Handling:** Export Managers develop pricing strategies based on cost, exchange rates, and market conditions. They also handle international payment terms (such as L/C, advance payment, etc.) and currency conversion risks.
6. **Liaison with Government Bodies and EPCs:** They maintain relations with Export Promotion Councils (EPCs), the Ministry of Commerce, and other regulatory authorities to secure export incentives, certifications, and promotional support.
7. **Monitoring Trade Agreements and Policies:** They stay informed about Free Trade Agreements (FTAs), export-import policies, and WTO guidelines that impact garment exports from India.
8. **Client Relationship and After-Sales Service:** Maintaining long-term relationships with overseas buyers, handling complaints, and ensuring client satisfaction are also part of the role to encourage repeat business.

1.1.2 Core Responsibilities in Export Management



Fig. 1.1.2: Export Management

Export management in the Indian apparel industry involves overseeing all activities related to the international sale of garments, from order acquisition to final delivery. The export manager plays a vital role in ensuring seamless operations while complying with international standards and trade regulations. The core responsibilities include:

1. **Export Planning and Strategy Development:** Developing export strategies aligned with global demand trends, identifying target markets, and setting export objectives based on production capacity and competitive advantage.
2. **Market and Buyer Identification:** Researching and selecting potential markets and international buyers by analysing trade data, market trends, and customer preferences to maximise business opportunities.
3. **Product Coordination and Customisation:** Coordinating with design, sampling, and production teams to ensure that apparel products meet the specific requirements of international clients in terms of size, fabric, compliance, and packaging.
4. **Order Execution and Fulfilment:** Managing end-to-end order processing, including confirmations, timelines, tracking production, quality assurance, and dispatch of stitched garments.
5. **Export Documentation and Legal Compliance:** Preparing and verifying export-related documents such as invoices, packing lists, bills of lading, certificates of origin, and ensuring compliance with customs, trade laws, and buyer regulations.
6. **Coordinate with freight forwarders and logistics:** Liaise with shipping lines, freight forwarders, and customs agents to ensure timely and cost-efficient transportation of goods.

7. **Financial Management and Payment Handling:** Overseeing international payment methods (like Letters of Credit, advance payment, and open account), handling currency exchange, managing export incentives, and ensuring timely receipt of payments.
8. **Liaison with Government Agencies and EPCs:** Interacting with bodies like the Apparel Export Promotion Council (AEPC), the Ministry of Commerce, and the DGFT to obtain necessary approvals, avail schemes, and stay updated on policy changes.
9. **Risk Management:** Identifying and mitigating risks related to shipment delays, quality issues, trade restrictions, and non-payment through insurance, contracts, and proactive planning.
10. **Post-Shipment Support and Client Relations:** Ensuring customer satisfaction through timely updates, addressing post-shipment issues, managing complaints, and building long-term relationships with overseas buyers.

1.1.3 Impact of Export Management on Organisational Operations and Growth

Export management significantly influences an organisation's operations and growth by expanding market reach, increasing revenue potential, improving competitiveness, and encouraging innovation. It involves the strategic handling of international trade processes, including compliance, logistics, documentation, and customer management. Effective export management enables businesses to diversify markets, mitigate risks, and achieve sustainable long-term growth.



Fig. 1.1.3: Export Management

Impact of Export Management on Organisational Operations and Growth:

- **Market Expansion:**
 - Opens access to international markets, increasing customer base.
 - Reduces dependency on domestic demand.
- **Revenue Growth:**
 - Generates additional income from foreign sales.
 - Enables exploitation of favourable exchange rates and price differentials.
- **Operational Efficiency:**
 - Encourages the standardisation of processes to meet international standards.
 - Improves supply chain coordination and logistics planning.

- **Risk Management:**
 - Diversifies market risks by not relying solely on one geographic location.
 - Requires development of risk mitigation strategies (e.g., for currency, political, and regulatory risks).
- **Competitive Advantage:**
 - Strengthens brand image and reputation globally.
 - Enhances innovation through exposure to global best practices and consumer expectations.
- **Compliance and Regulatory Alignment:**
 - Ensures adherence to international trade laws and regulations.
 - Improves internal controls and documentation practices.
- **Capacity Building:**
 - Develops internal capabilities in international marketing, negotiation, and cultural competence.
 - Promotes employee development and training in global business practices.
- **Strategic Partnerships:**
 - Facilitates collaborations and alliances with foreign partners, distributors, and agents.
 - Enhances networking opportunities and knowledge transfer.
- **Sustainability and Long-term Growth:**
 - Creates a platform for consistent growth through diversified markets.
 - Provides stability during domestic market downturns.

Summary

- The export manager in the stitched items industry is responsible for overseeing the shipment of garments to international markets.
- They handle documentation, compliance with international trade regulations, and communication with overseas clients.
- Core responsibilities include market research, pricing strategies, managing logistics, and coordinating with production teams.
- Effective export management ensures timely delivery, maintains product quality, and helps build lasting client relationships.
- It significantly influences an organisation's operational efficiency and global market expansion.
- Ultimately, strong export management contributes to increased revenue, brand reputation, and business growth.

Exercise

Multiple-choice Question:

1. Who is primarily responsible for handling international shipments in the stitched items industry?
 - a. Sales assistant
 - b. Fashion designer
 - c. Export manager
 - d. Production worker

2. What is one of the main tasks of an export manager?
 - a. Designing new clothing lines
 - b. Overseeing local marketing
 - c. Managing export documentation
 - d. Hiring warehouse staff

3. Why is export management important for an organisation?
 - a. It helps in local product promotions
 - b. It ensures domestic trade policies are followed
 - c. It improves international delivery and business growth
 - d. It reduces the need for skilled labour

4. Which team does the export manager coordinate with for timely product delivery?
 - a. Security team
 - b. Production team
 - c. HR team
 - d. Cleaning staff

5. What is one benefit of effective export management?
 - a. Increase in import tax
 - b. Slower production rate
 - c. Improved brand reputation
 - d. Higher domestic costs

Descriptive Questions:

1. Explain the role of an export manager in the stitched items industry.
2. List and describe the core responsibilities of an export manager.
3. How does export management affect an organisation's operations?
4. In what ways can efficient export management support business growth?
5. Describe the relationship between production teams and export managers in managing exports.

Notes

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Scan the QR codes or click on the link to watch the related videos



<https://youtu.be/dSn7iz-bFN8?si=v8HlmdaJKL7RjARu>

Introduction to Apparel Industry



<https://youtu.be/eLHsHsyfR7Y?si=vKMTZxFbTbxxkOB>

Export Manager a distinguish job role in Industry





2. Export Manager – Stitched Items Marketing Operations

Unit 2.1 - Export Marketing and Strategic Coordination

Unit 2.2 - Financial and Institutional Aspects of
Exporting



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Describe the marketing management framework for Export Manager – Stitched Items.
2. Explain the influence of internet marketing on Export Manager – Stitched Items.
3. Illustrate the coordination process with EPC/Ministry of Commerce for documentation and affiliation.
4. Select suitable Export Manager – Stitched Items schemes and international payment terms.
5. Identify effective strategies for market selection, pricing, and distribution.
6. Apply promotional strategies best suited for Export Manager – Stitched Items.
7. Calculate currency exchange rates for Export Manager – Stitched Items transactions.
8. Analyse cost factors impacting Export Manager – Stitched Items marketing.
9. Explain Export Manager – Stitched Items financing methods and the institutional framework of EPC and WTO.

UNIT 2.1: Export Marketing and Strategic Coordination

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the export management framework for stitched items.
2. Analyse the influence of internet marketing on exporting stitched items.
3. Discuss the coordination process with EPC and the Ministry of Commerce for documentation and affiliation.
4. Illustrate export schemes applicable for stitched items.
5. Describe international commercial payment terms for export transactions.
6. Assess the marketing process and strategies for stitched items.
7. Identify and analyse product and market selection for exporting stitched items.
8. Evaluate pricing and distribution strategies for market entry.

2.1.1 Export Management Framework for Stitched Items

The Indian apparel industry plays a vital role in the global textile market, particularly through the export of stitched items such as garments, home textiles, and fashion accessories. An efficient export management framework is essential for ensuring that these products meet international standards, are delivered on time, and comply with all regulatory and buyer-specific requirements. This framework integrates planning, documentation, logistics, compliance, and marketing to achieve smooth export operations.



Fig. 1.2.1: Export Management

1. **Export Planning and Strategy:** Export planning begins with thorough market research to identify demand trends, buyer preferences, and suitable target countries for stitched items. Products must be modified or customised according to the regulations, quality standards, and cultural preferences of the importing country. Appropriate distribution channels and reliable overseas partners must be selected to ensure effective product delivery and customer satisfaction.
2. **Compliance and Documentation:** Exporters must comply with national and international trade regulations, including those set by DGFT, Customs, and GST authorities. Essential registrations such as the Importer Exporter Code (IEC) and Registration-Cum-Membership Certificate (RCMC) must be obtained before commencing exports. Exporters are responsible for preparing all required

documents, including the commercial invoice, packing list, and shipping bill, to facilitate customs clearance and shipment.

3. **Production and Quality Control:** The production process must align with the buyer's order specifications and timelines to ensure consistent quality and timely delivery. Products must undergo strict quality checks in accordance with both buyer requirements and the regulatory standards of the destination country. Obtaining certifications like ISO, SA8000, and OEKO-TEX helps demonstrate compliance with international quality, safety, and ethical standards.
4. **Logistics and Shipment Management:** Exporters must choose the most efficient and cost-effective mode of transport based on factors like product type, delivery time, and cost. Proper containerization, packaging, and labelling are essential to protect goods during transit and meet international shipping standards. Close coordination with freight forwarders, customs house agents (CHAs), and shipping companies ensures smooth logistics and timely dispatch.
5. **Post-Export and Payment Realisation:** Exporters must follow up on key documents such as Letters of Credit (LCs) and Bank Realisation Certificates (BRCs) to ensure timely receipt of payments. All post-shipment documents must be accurately completed and submitted to banks, buyers, and relevant authorities as required. Exporters must manage foreign exchange transactions and ensure that export earnings are repatriated in accordance with RBI and FEMA guidelines.

2.1.2 Influence of Internet Marketing on Exporting Stitched Items

Internet marketing, also known as online marketing or digital marketing, refers to the use of digital channels and online platforms to promote and sell products or services. It includes strategies such as search engine optimisation (SEO), social media marketing, content marketing, email campaigns, online advertisements, and e-commerce. The goal of internet marketing is to reach a broader audience, build brand visibility, engage customers, and drive sales through the internet.



Fig. 2.1.2: Top Online Shopping Sites for Apparel

Internet marketing has transformed how stitched items are promoted and sold in global markets. It enables apparel exporters to reach international buyers, showcase their collections, and streamline the export process through digital platforms. The growing integration of online tools in export marketing is helping Indian apparel manufacturers expand their global footprint.



Fig. 2.1.3: Influence of Internet Marketing

Compared to traditional export marketing methods like trade fairs and physical advertising, internet marketing is more economical. It allows small and medium apparel exporters to compete with larger firms by promoting their products efficiently online.



Fig. 2.1.4: Trade Fair

Digital platforms enable direct interaction with international buyers. Exporters can respond quickly to inquiries, share samples virtually, and offer product customisation based on real-time feedback. Exporters can manage orders, track shipments, and collect payments through integrated systems, streamlining the export process. Exporters can use tools like Google Analytics and social media insights to understand which countries show the most interest in their stitched items.

2.1.3 Coordination with EPC and Ministry of Commerce for Documentation and Affiliation

In the Indian apparel export industry, smooth coordination with the Export Promotion Council (EPC) and the Ministry of Commerce and Industry is essential for compliance, credibility, and operational efficiency. An Export Manager plays a central role in managing this coordination to ensure all documentation and affiliations are in place to facilitate international trade.

1. Registration and Membership with EPCs: The Export Manager is responsible for securing membership with the relevant EPC, such as the Apparel Export Promotion Council (AEPC). This involves:

- Obtaining the Registration-Cum-Membership Certificate (RCMC).
- Ensuring the exporter is recognised and eligible for government export benefits.
- Staying updated with policy circulars, trade fairs, and buyer-seller meets organised by the EPC.



Fig. 2.1.5: EPC

2. Liaison with the Ministry of Commerce: Export Managers coordinate with the Ministry of Commerce for:

- Policy guidelines and export schemes (e.g., RoDTEP, RoSCTL).
- Clarifications on foreign trade policy.
- Participation in government-backed export development programs.



Fig. 2.1.6: RoDTEP

3. Documentation and Compliance Handling: Key documentation tasks handled through EPCs and in line with Ministry guidelines include:

- IEC (Importer Exporter Code) registration.
- Export performance reporting.
- Certification and approvals are required for customs clearance and incentive claims.



Fig. 2.1.7: IEC

4. Availing Export Incentives and Schemes: This requires proper coordination with both EPCs and the Ministry for timely disbursement and compliance. The Export Manager facilitates applications for export-related benefits such as:

- Duty drawback.
- RoSCTL (Rebate of State and Central Taxes and Levies).
- MEIS/SEIS (as applicable per sectoral benefits).



Fig. 2.1.8: RoSCTL Scheme

5. Representation and Feedback Mechanism: Export Managers also serve as a bridge between the apparel exporter and policymaking bodies:

- Representing the company in policy discussions or grievances.
- Providing feedback to EPCs on trade barriers or documentation challenges.
- Participating in export policy consultations or surveys.

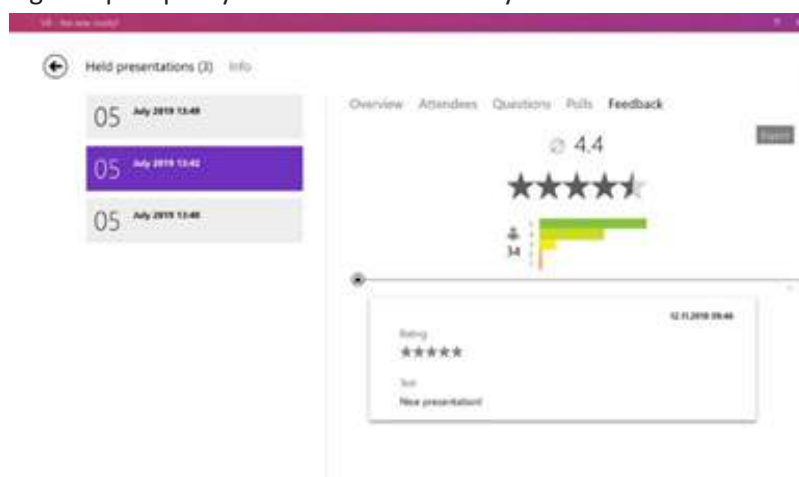


Fig. 2.1.9: Mechanism in Export

2.1.4 Export Schemes Applicable for Stitched Items

The Indian apparel industry is one of the largest contributors to the country's export economy. To support and boost the export of stitched items, the government offers several schemes and incentives aimed at reducing costs, increasing competitiveness, and ensuring seamless international trade. These export schemes are designed to encourage apparel manufacturers to explore new markets, expand their production capabilities, and comply with global standards.



Fig. 2.1.10: Indian Apparel Industry

As the global demand for fashion and textiles continues to rise, it is crucial for Indian apparel exporters to leverage these schemes to stay competitive in the international market. From duty exemptions to financial incentives, these programs play an essential role in easing the export process and driving growth in the apparel sector.

Export Scheme	Description
RoSCTL (Rebate of State and Central Taxes and Levies) 	Refund of embedded taxes (VAT, mandi tax, etc.) that are not reimbursed under GST, based on the FOB value of exports.
Duty Drawback Scheme 	Refund of customs and excise duties on inputs used in manufacturing exported stitched items, at standard or brand-specific rates.
EPCG (Export Promotion Capital Goods) Scheme 	Allows import of capital goods like sewing machines at zero customs duty, with an export obligation.
Advance Authorisation Scheme 	Duty-free import of raw materials (e.g., fabrics) with a commitment to export the finished stitched garments.
Interest Equalisation Scheme (IES) 	Provides an interest subsidy (3–5%) on pre-shipment and post-shipment rupee export credit for MSME exporters.

Export Scheme	Description
Market Access Initiative (MAI) & Market Development Assistance (MDA) 	Financial assistance for participation in international trade fairs and marketing activities.
Trade Infrastructure for Export Scheme (TIES) 	Supports infrastructure like testing labs, logistics hubs, and common facility centres for export-related activities.

Table 2.1.1: Export Schemes Applicable for Stitched Items

2.1.5 International Commercial Payment Terms for Export Transactions

In the international trade of stitched items, especially in the apparel industry, payment terms play a crucial role in ensuring smooth transactions between exporters and importers. These terms define the conditions under which payments are made, the timing of the payment, and the responsibility for payment risks. Proper understanding and negotiation of these payment terms can help reduce financial risks and improve cash flow for exporters.



Fig. 2.1.11: Methods of International Payments

Payment Term	Description	Benefits	Risk	Usage
Letter of Credit (LC)	A bank guarantees payment to the exporter if conditions are met.	Security for both the exporter and importer.	High cost; complex process.	Common for first-time or large-value apparel exports.
Cash Against Documents (CAD)	The exporter ships goods and submits documents to the bank for payment.	Easier, quicker, and less expensive than LCs.	Higher risk for the exporter as the importer may refuse goods.	Used in well-established buyer-seller relationships.
Advance Payment	Importer pays the full or partial amount before shipment.	Highest security for the exporter.	Risk of importer hesitation due to a lack of trust.	Common for small transactions or with new buyers.
Open Account	Goods are shipped and paid for at a later date (30, 60, 90 days).	It favours the buyer and helps maintain trust.	The risk for the exporter is that payment is after shipment.	Used in long-term relationships with trusted customers.
Documentary Collections (D/P and D/A)	The exporter submits documents to the bank for the buyer's payment/acceptance.	Less costly than LCs; provides some security.	Risk if the buyer does not pay (D/P) or accept (D/A) on time.	Used for regular buyer-seller relationships in apparel.
Bank Guarantees	A bank assures payment in case the buyer defaults.	High security for the exporter.	It is an expensive and lengthy process to claim.	Used in large transactions or when additional guarantees are required.
Payment by Instalments	Payment is made in instalments, typically for large transactions.	Easier cash flow management for the buyer.	Risk if instalments are not paid on time.	Used for bulk orders or large apparel transactions.

Table 2.1.2: International Commercial Payment Terms for Export Transactions

Choosing the appropriate payment term for export transactions is a critical decision for apparel exporters. It involves balancing the security of payments with the financial flexibility that buyers require. Indian apparel exporters should carefully assess their risk tolerance, buyer reliability, and market conditions when negotiating these terms to ensure successful and secure transactions.

2.1.6 Marketing Process and Strategies for Stitched Items

The Indian apparel industry, known globally for its diversity, craftsmanship, and competitive production capabilities, plays a vital role in both domestic and international markets. Among its segments, stitched items such as ready-made garments hold a significant share due to their mass appeal and export potential. To remain competitive in a fast-evolving market driven by fashion trends, digital transformation, and consumer expectations, apparel manufacturers and exporters must adopt effective marketing processes and strategies. From market research to product positioning and digital promotion, a structured approach is essential to ensure sustained growth, brand recognition, and global reach.



Fig. 2.1.12: Marketing Process and Strategy

Strategy Area	Objective	Approach
Market Research and Segmentation	Understand market trends, consumer preferences, and competition	- Conduct surveys and competitor analysis - Segment by geography, demographics, behaviour, trends - Identify niches like ethnic, casual, or sustainable wear
Product Development and Positioning	Design market-fit products and establish brand differentiation	- Create export/domestic-focused product line - Align with trends, seasons, and buyer needs - Position on price, design, quality, or sustainability
Pricing Strategies	Set competitive and profitable price points	- Use cost-plus, competitive, or value-based pricing - Factor in taxes, duties, and export costs - Offer discounts or flexible terms to key buyers
Promotional Strategies	Build awareness and attract target customers	- Leverage digital marketing (social media, SEO, email) - Attend trade shows and exhibitions - Partner with influencers, offer samples and promos

Strategy Area	Objective	Approach
Distribution and Channel Strategy	Ensure efficient product delivery and wide market access	• Use retail, online, and export agent channels • Collaborate with wholesalers/distributors • Strengthen logistics and supply chain efficiency

Table 2.1.3: Marketing Process and Strategies

2.1.7 Product and Market Selection for Exporting Stitched Items

When exporting stitched garments from India, careful selection of both products and markets is essential to ensure competitiveness, profitability, and long-term success. This process involves analysing product suitability for international markets and identifying countries with high demand, favourable trade terms, and minimal entry barriers.

1. **Product Selection:** This involves choosing specific stitched items that align with global trends and meet the quality standards of target markets.

Example: Arvind Limited is a leading Indian apparel company known for exporting shirts, denim garments, and various fashion apparel.



Fig. 2.1.13: Arvind Limited

2. **Market Selection:** Selecting the right export destination is critical to success in international trade.

Example: Shahi Exports Pvt. Ltd. exports primarily to the US, UK, Europe, and Japan. It has established itself as a preferred manufacturing partner for global retail giants such as H&M, Gap, and Zara by offering customised production solutions.



Fig. 2.1.14: Shahi Export

- 3. Matching Product with Market:** The final step is aligning selected products with the most suitable markets.

Example: Orient Craft Limited exports to markets in North America and Europe, where there is a consistent demand for trend-driven fashion apparel.



Fig. 2.1.15: Orient Craft

- 4. Niche or Value-Added Product Exports:** This export strategy focuses on garments that go beyond mass-market appeal by offering unique design, cultural relevance, or craftsmanship.

Example: House of Anita Dongre's main export markets include the USA, UAE, and Canada, where there is a high demand among the Indian diaspora and premium fashion consumers.



Fig. 2.1.16: House of Dongre's

- 5. Eco-Friendly and Sustainable Exports:** Sustainable garment exports focus on meeting the growing global demand for ethically made and environmentally conscious clothing.

Example: No Nasties, a Goa-based organic clothing brand, focuses on exporting 100% organic cotton T-shirts and casual wear.



Fig. 2.1.17: No Nasties

2.1.8 Pricing and Distribution Strategies for Market Entry

A systematic approach to pricing and distribution is necessary when entering the Indian apparel market or when introducing stitched clothing into international markets. The competitiveness, accessibility, and profitability of a product are all significantly influenced by these two factors. Companies must carefully consider how they price their products and select the best methods to reach their target audience, given the variety of Indian customer segments and the differing expectations in global marketplaces. Effective distribution guarantees prompt and efficient delivery, which is crucial in the always-evolving fashion business, while strategic pricing helps match products with consumer expectations and market positioning. These tactics work together to create the groundwork for a prosperous market debut and sustained expansion in the clothing industry.

Pricing Strategies: Pricing is a crucial element when launching stitched apparel in domestic or international markets. It must balance affordability, brand perception, and profitability.

Pricing strategy matrix

		Price		
		HIGH	MEDIUM	LOW
Quality	HIGH	Premium	High value	Superb value
	MEDIUM	Over-charging	Average	Good value
	LOW	Rip-off	False economy	Economy

Fig. 2.1.18: Pricing strategies

- **Cost-Plus Pricing:** This strategy involves adding a fixed markup to the total production cost (materials, labour, overheads, etc.). It ensures a baseline profit margin and is common among manufacturers entering new markets.
- **Competitive Pricing:** Apparel companies study market competitors and price their stitched items at par or slightly lower to attract buyers, especially during initial entry. This strategy is useful in highly competitive segments like casual wear or children's clothing.
- **Value-Based Pricing:** In premium or niche segments (e.g., designer wear or eco-friendly garments), brands may charge based on perceived value rather than production cost. The price reflects exclusivity, quality, design, and sustainability.
- **Penetration Pricing:** To quickly gain market share, especially in price-sensitive markets, exporters or domestic brands may offer lower introductory prices, discounts, or bundled deals. Once a customer base is built, prices may gradually rise.
- **Skimming Pricing:** This involves launching at a high price point to target early adopters or high-income customers, particularly for new or innovative designs. Over time, prices are lowered to reach broader market segments.

Distribution Strategies: Effective distribution ensures stitched garments reach the target customers in a timely and efficient manner.



Fig. 2.1.19: 3 Main retail distribution channels

- **Direct Export:** Apparel exporters may sell directly to international buyers through e-commerce platforms, trade fairs, or dedicated websites. This provides better control over branding, pricing, and customer relationships.
- **Indirect Export (Through Agents or Distributors):** Using export agents or distributors familiar with target markets can reduce entry barriers. They handle local regulations, customs, and sales channels, though it may involve profit-sharing or commission costs.
- **E-Commerce and Online Marketplaces:** Platforms like Amazon, Flipkart, Myntra (domestic), and global platforms like Alibaba, Etsy, or Amazon Global allow stitched garment sellers to tap into large customer bases with lower infrastructure investment.
- **Retail Partnerships:** Tying up with established retail chains or department stores in domestic or foreign markets provides ready access to customers. It enhances visibility and allows for co-branded promotions.
- **Franchising and Licensing:** Apparel brands with unique product lines may expand via franchise or license models, allowing local entrepreneurs to sell under their brand name. It works well for niche, ethnic, or premium fashion brands.
- **Omni-Channel Strategy:** This approach integrates offline and online channels, offering customers a seamless shopping experience. Inventory, pricing, and customer engagement are synchronised across physical stores and digital platforms.

UNIT 2.2: Financial and Institutional Aspects of Exporting

Unit Objectives

By the end of this unit, the participants will be able to:

1. Apply effective promotional tools and techniques to enhance the global visibility and demand for stitched products.
2. Develop the ability to calculate and interpret currency exchange rates and their impact on export pricing and profitability.
3. Identify and evaluate the various cost components involved in marketing stitched items in international markets.
4. Explore different financing options and assess their suitability for supporting export activities and managing trade risks.
5. Examine the role of Export Promotion Councils (EPCs) and the World Trade Organisation (WTO) in facilitating and regulating stitched item exports.
6. Discuss the essential documents and legal requirements necessary for conducting export transactions in compliance with international trade laws.

2.2.1 Promotion Strategies for Exporting Stitched Items

In order to increase the demand, recognition, and exposure of stitched clothing products worldwide, promotional methods are crucial. Producing high-quality clothing alone is insufficient in today's cutthroat global marketplaces; apparel exporters also need to actively promote their brands and establish connections with consumers through both traditional and digital means.



Fig. 2.2.1: Promotional Strategies

Building brand identification, bringing in new customers, maintaining existing ones, and setting products apart from rivals are all made possible by effective promotion. These tactics, which highlight the distinctive qualities of the clothing, whether it is design, workmanship, sustainability, or cultural appeal, often include internet marketing, trade exhibitions, influencer partnerships, and content-driven campaigns.

- **Social Media Marketing:** Social media marketing involves using platforms like Instagram, Facebook, and Twitter to promote apparel products through visuals, videos, influencer partnerships, and customer engagement. It helps build brand identity, communicate directly with global audiences, and generate interest in collections.

Example: BIBA Apparels

BIBA uses Instagram and Facebook to showcase its ethnic wear collections, promote new launches, and collaborate with fashion influencers. Its vibrant social campaigns target Indian consumers abroad and help generate interest during festive seasons, especially in the UAE and USA markets.



Fig. 2.2.2: Biba Apparel's Social Media Post

- **E-Commerce and Online Marketplaces:** Selling through e-commerce platforms—either through proprietary websites or global marketplaces like Amazon, Myntra, or Etsy—allows apparel brands to reach international buyers directly, offering convenience, wider reach, and measurable marketing outcomes.

Example: Fabindia

Fabindia exports stitched garments via its own website and global platforms. By offering curated collections with traditional Indian aesthetics, product transparency, and shipping to overseas destinations, it taps into markets like the USA, UK, and Canada.



Fig. 2.2.3: Fabindia

- **Trade Shows and International Exhibitions:** Participation in international trade fairs, exhibitions, and fashion expos allows apparel exporters to showcase products to a global audience of buyers, retailers, and fashion houses. It helps with networking, brand exposure, and lead generation.

Example: Shahi Exports Pvt. Ltd.

Shahi Exports regularly participates in events like Texworld Paris and Magic Las Vegas, where it showcases its latest collections to major international buyers, helping the company maintain relationships with brands like H&M and Zara.



Fig. 2.2.4: TexWorld

- **Content Marketing and Storytelling:** This strategy involves creating blogs, videos, behind-the-scenes content, and artisan stories to educate and emotionally connect with customers. It highlights brand values such as sustainability, craftsmanship, or social responsibility.

Example: House of Anita Dongre

Anita Dongre uses storytelling on its website and social media to share how its garments are crafted by rural artisans using eco-friendly practices. This appeals to international customers who value sustainable and ethical fashion.



Fig. 2.2.5: House of Anita Dongre

- **Email Marketing and B2B Campaigns:** Email marketing targets international buyers, retailers, or consumers with curated newsletters, product catalogues, and offers. It helps maintain consistent engagement and updates with a professional audience.

Example: Arvind Limited

Arvind sends out regular digital catalogues and trend updates to its global buyer network, promoting its denim and fashion products. It uses B2B emails to secure bulk orders and keep partners informed about innovations and new launches.



Fig. 2.2.6: Arvind Limited

- **International Collaborations and Co-Branding:** Collaborating with global designers or brands allows Indian apparel companies to enter new markets, gain credibility, and appeal to high-end or fashion-forward buyers.

Example: Raymond

Raymond has collaborated with international fashion houses for exclusive suit collections. These co-branded ventures help the company gain exposure in premium markets like the UK and UAE, boosting its image as a luxury menswear brand.



Fig. 2.2.7: Raymond

2.2.2 Currency Rate Calculation for Export Transactions

Currency rate calculation in export transactions refers to determining the value of the foreign currency (in which the buyer pays) against the domestic currency (INR, in the case of Indian exporters). This is critical in finalising the invoice value, managing profitability, and protecting against exchange rate volatility.

1. **Exchange Rate:** The exchange rate is the rate at which one currency is exchanged for another. For Indian apparel exporters, this often involves converting USD, EUR, GBP, or AED into INR.

Example: 1 USD = ₹83.50

2. Type of Rate Used:

- **Spot Rate:** The current rate at which a currency can be exchanged immediately.
- **Forward Rate:** A pre-agreed rate used in forward contracts for future settlements.
- **TT (Telegraphic Transfer) Buying/Selling Rate:** Used for actual fund transfers.
- **Currency Quotation by Banks:**
Banks usually quote two rates:
 - **Buying Rate:** Rate at which the bank buys foreign currency (used when the exporter receives foreign currency).
 - **Selling Rate:** Rate at which the bank sells foreign currency (used when the importer pays in foreign currency).

3. Invoice Value Calculation: To calculate the INR value of an export order:

- **Formula:**

$$\text{Invoice Value in INR} = \text{Invoice Amount in Foreign Currency} \times \text{Exchange Rate}$$
- **Example:** If an order is worth USD 10,000 and the exchange rate is ₹83.50/USD, then:

$$\text{INR Value} = 10,000 \times 83.50 = ₹8,35,000$$

4. Bank Charges and Margins: Banks may apply a small margin or fee when converting currency. Exporters should clarify whether the quoted rate is net of such charges.

5. Currency Hedging: Exporters often use forward contracts or currency options to lock in exchange rates and protect against adverse currency fluctuations.

Export managers play a crucial role in managing currency rate-related aspects of international trade to ensure profitability, minimise risks, and maintain competitive pricing. Their involvement spans operational, strategic, and risk management functions.

2.2.3 Cost Factors in Export Marketing

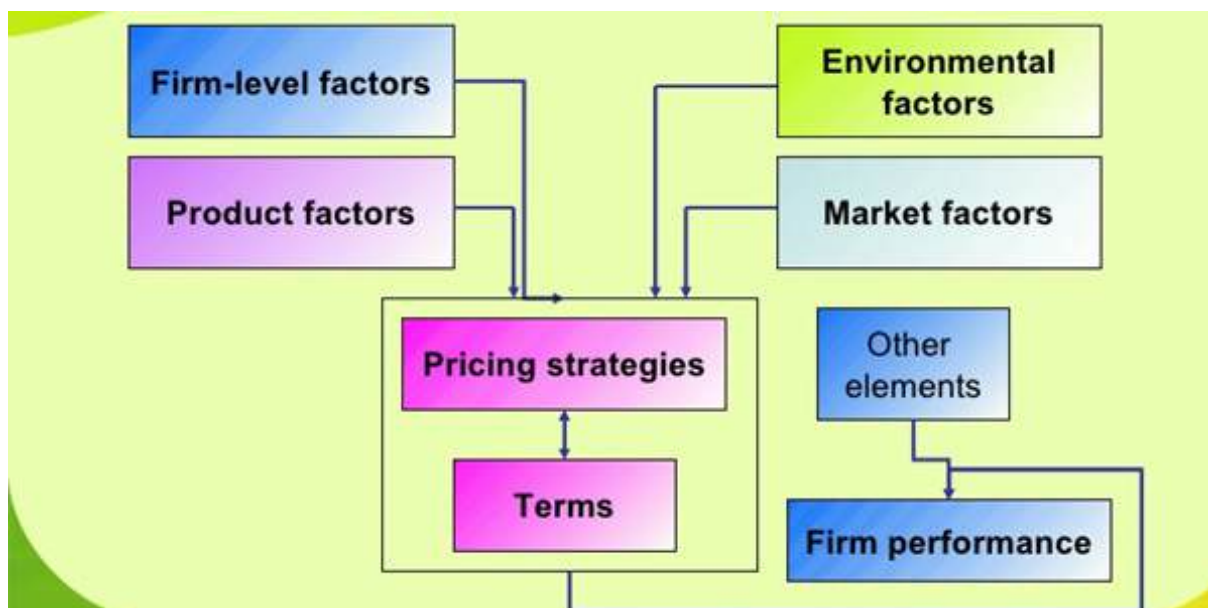


Fig. 2.2.8: International Pricing Framework

Export marketing involves multiple cost components that directly impact pricing, profitability, and competitiveness in global markets. Export managers play a vital role in controlling, allocating, and optimising these costs while ensuring compliance and efficiency in the export process.

Product and Production Costs

- Includes raw materials, labour, and manufacturing overheads.
- Additional costs may arise for modifications to meet international standards or buyer specifications.
- Packaging and Labelling Costs:
- Export goods require stronger packaging for long transit and may need specialised labelling (multilingual, safety info, barcodes) as per import regulations.

Documentation and Compliance Costs

- Preparing export documents (invoice, packing list, certificates of origin, etc.) involves administrative costs.
- Costs may also include third-party inspection or testing.

Logistics and Transportation Costs

- Covers freight (sea/air/road), containerization, loading/unloading, and port handling.
- Inland transportation to ports or warehouses is also a major expense.

Customs Duties and Export Levies

- Includes port charges, export duties (if applicable), and service fees.
- It may also involve charges for fumigation, clearance agents, or terminal handling.

Marketing and Promotion Costs

- Participation in international trade fairs, online B2B portals, buyer visits, and promotional materials.
- Brand-building efforts include sampling, digital campaigns, or influencer marketing.

Insurance Costs

- Marine cargo insurance, transit insurance, and credit risk insurance are necessary for safeguarding goods and payments.

Currency Exchange and Bank Charges

- Forex conversion losses, interest on packing credit, bank handling fees, and LC discounting charges are all important financial costs.

Commission to Agents or Intermediaries

- If an export agent or broker is involved, their commission adds to the cost structure.

Export managers are pivotal in keeping export marketing cost-efficient and competitive. Their role spans operational planning, cost control, negotiation, and financial coordination, making them central to profitable and sustainable export growth.

2.2.4 Methods of Export Financing, Including Export Credit

When engaging in export activities, businesses must choose financing options that not only support growth but also help manage trade-related risks such as payment default, currency fluctuations, and political instability. Below are different export financing options and an assessment of their suitability:

Financing Option	Best Suited For	Risk Coverage	Complexity
Pre-Shipment Finance	Working capital before shipment	Low	Low
Post-Shipment Finance	Liquidity after shipment	Medium	Medium
Export Credit Insurance	Risky markets or buyers	High	Low
Letter of Credit	Risk-averse exporters or large transactions	Very High	High
Forfaiting	Capital goods, large exports	Very High	Medium
Factoring	SMEs, short-term receivables	High	Low
Trade Credit	Trusted buyers	Low	Low
ECA Support	High-risk or large projects	Very High	Medium
Guarantees/Bonds	Contractual obligations	Medium	Medium

Table 2.2.1: Export Financing Options and Their Assessment

2.2.5 Institutional Framework of EPC and WTO for Exporting Stitched Items

Due to increased consumer demand and production innovations, the global market for stitched items, including clothing, apparel, and textile products, has expanded dramatically. However, great production alone is not enough for success in international trade; regulatory compliance and strategic assistance are also necessary. Institutions at the national and international levels are essential to facilitating and controlling the export of stitched items.

Export Promotion Councils (EPCs) help exporters navigate international markets, adhere to regulations, and take advantage of government incentives at the national level. The World Trade Organisation (WTO) establishes and upholds regulations to guarantee equitable trade practices, market access, and dispute settlement on a worldwide scale. These organisations work together to create a framework that allows exporters to compete successfully while upholding responsibility in international trade.

Export Promotion Councils (EPCs)

Export Promotion Councils are non-profit organisations set up by the Government of India (and similarly in other countries) to promote the export of specific product categories, including stitched items like garments, textiles, and apparel.



Fig. 2.2.9: EPC

1. Key Roles in Stitched Item Exports include the following:

- Market Development and Promotion
- Organise international trade fairs, exhibitions, and buyer-seller meets.
- Help exporters identify and enter new markets.
- Provide market intelligence and trend analysis.

2. Capacity Building and Training

- Offer training programs on quality standards, global compliance, and export documentation.
- Support MSMEs and new exporters with knowledge about certifications like ISO, OEKO-TEX, and SA8000.

3. Policy Advocacy

- Represent exporters' interests to the government.
- Recommend policy changes in customs duties, trade agreements, or export incentives.

4. Export Facilitation

- Help with registration under the RCMC (Registration-Cum-Membership Certificate), which is mandatory for availing export benefits under India's Foreign Trade Policy.
- Assist in documentation, quality certification, and resolving trade disputes.

5. Financial Support

- Help exporters access government schemes like MEIS (Merchandise Exports from India Scheme) and RoDTEP (Remission of Duties and Taxes on Exported Products).

Examples:

- Apparel Export Promotion Council (AEPC) – Specific to stitched garments.



Fig. 2.2.10: AEPC

- Textile EPCs – For broader textile product coverage.

World Trade Organisation (WTO)

The WTO is an international body that regulates global trade rules between nations and ensures that trade flows smoothly, predictably, and freely. Key Roles in regulating stitched item exports are the following:



Fig. 2.2.11: WHO Logo

1. Trade Liberalization

- Encourages member countries to reduce tariffs and quotas on textiles and apparel.
- Promotes fair competition and access to global markets.

2. Regulation of Trade Practices

- Oversees compliance with Agreements on Textiles and Clothing (ATC) and General Agreement on Tariffs and Trade (GATT).
- Prevents unfair trade practices such as dumping and excessive subsidies.

3. Dispute Resolution

- Handles trade disputes between countries over textile and garment exports (e.g., safeguard measures or anti-dumping duties).

4. Monitoring and Transparency

- Monitors export and import policies to ensure compliance with WTO commitments.
- Ensures that trade restrictions (e.g., quotas or bans) are justified and not arbitrary.

5. Trade-Related Assistance

- Offers technical assistance to developing countries to help them understand and implement WTO rules.
- Promotes capacity building in areas like intellectual property rights (important for fashion and branded stitched goods).

2.2.5 Institutional Framework of EPC and WTO for Exporting Stitched Items

Category	Document	Purpose	Compliance Relevance
Commercial Documents	Commercial Invoice	Invoice for sale of goods; includes price, terms, and product details	Required for customs clearance and payment processing

Category	Document	Purpose	Compliance Relevance
	Packing List	Describes contents, packaging, weight, and dimensions	Assists in logistics, inspection, and clearance
	Proforma Invoice	Preliminary invoice to confirm sale terms	Used for buyer confirmation and financing
	Certificate of Origin	Certifies the manufacturing country of goods	Required for customs and to claim duty concessions
Transport & Insurance	Bill of Lading / Airway Bill	Contract of carriage, proof of shipment and ownership	Required by customs and banks for release/payment
	Insurance Certificate	Confirms insurance coverage for goods in transit	Risk management is required under certain Incoterms
Regulatory Documents	Export License	Government authorisation for restricted goods	Mandatory for controlled exports
	Letter of Credit (LC)	Bank guarantee of payment upon compliance with the terms	Secure payment tool, governed by UCP 600 rules
	Inspection Certificate	Confirms quality and compliance with order specs	Maybe required by the buyer or regulation
	Customs Declaration (Shipping Bill)	Official export declaration to customs	Required for export clearance and documentation
Financial & Tax Docs	Foreign Exchange Declaration	Declaration for forex compliance (e.g., FEMA in India)	Mandatory for legal forex transactions
	Bank Realisation Certificate (BRC)	Proof of payment received in foreign currency	Required for incentives and tax rebates
Legal & Trade Compliance	HS Code Classification	Universal product classification code	Determines duties, tariffs, and trade stats
	Sanctions/ Embargo Checks	Ensure compliance with international restrictions	Prevents legal penalties and trade violations
	Trade Agreement Documents	Proof to claim benefits under FTAs or GSPs	Reduces duties, enhances market access

Table 2.2.2: Essential Export Documents and Legal Requirements

Compliance with international trade laws requires meticulous documentation and adherence to legal procedures. Proper documentation not only facilitates smooth customs clearance and payments but also ensures exporters are protected legally and financially. Staying updated with regulatory changes and working closely with freight forwarders, banks, and export promotion agencies can help exporters avoid costly errors and penalties.

Summary

- Export marketing involves a structured management framework specifically for stitched items, incorporating strategic planning, market research, and compliance processes.
- Internet marketing plays a significant role in promoting stitched exports by enhancing global outreach, brand visibility, and communication with buyers.
- Coordination with Export Promotion Councils (EPCs) and the Ministry of Commerce is crucial for proper documentation, affiliations, and adherence to export regulations.
- Various export schemes are available that support stitched items through incentives, financial assistance, and simplified procedures.
- International commercial payment terms such as advance payment, letters of credit, and open account methods ensure smooth and secure export transactions.
- Pricing strategies, product-market selection, and distribution channels must be well evaluated to ensure effective market entry and profitability for stitched exports.

Exercise

Multiple-choice Question:

1. What is the key benefit of internet marketing for exporting stitched items?
 - a. Increases domestic retail demand
 - b. Reduces the need for documentation
 - c. Enhances global visibility and buyer reach
 - d. Eliminates product packaging costs

2. Which organisation must exporters coordinate with for documentation and affiliation?
 - a. Ministry of Textiles
 - b. Export Promotion Councils (EPCs)
 - c. Reserve Bank of India
 - d. Indian Customs

3. What is the purpose of export schemes for stitched items?
 - a. Increase import taxes
 - b. Offer promotional training to tailors
 - c. Provide financial and policy support to exporters
 - d. Impose quality checks on domestic sales

4. Which term refers to a secure method of international commercial payment?
 - a. Barter trade
 - b. Post-dated cheque
 - c. Letter of Credit
 - d. Open bidding

5. Why is understanding currency exchange important in export pricing?
 - a. To reduce shipping time
 - b. To avoid product recalls
 - c. To calculate profitability accurately
 - d. To attract domestic investors

Descriptive Questions:

1. Explain the export management framework applicable to stitched items.
2. Describe how internet marketing impacts the global promotion of stitched items.
3. What is the role of Export Promotion Councils and the Ministry of Commerce in export coordination?
4. List and explain different export schemes available for stitched items.
5. Discuss the financial factors and institutional support available for stitched item exporters.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

Scan the QR codes or click on the link to watch the related videos



<https://youtu.be/fFZMOu7qCV4?si=F7sdnE3TxZQcnBDI>

Strategy for export marketing



<https://youtu.be/VMZPg-00aHo?si=xvhrpSBfw4pX2kxg>

Payment terms for Import Export Business



https://youtu.be/wyDwmUUUOWw?si=KmySR6EcyB2_Tph4

How To Give Price To Foreign Buyer



<https://youtu.be/g11e2NtPAYw?si=ua0X2sg-EjYuphLs>

Documents and licenses required to start an export import business





3. Analyse Foreign Trade Logistics

Unit 3.1 - Maritime Transportation and Logistics



AMH/N1604

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Describe maritime transportation.
2. Describe how to select the final mode of shipment.
3. Explain the method of tracking the shipment and follow-up for payment.
4. Check documents related to the shipment.
5. Identify the process of containerization for shipping.
6. Select the ICDs (Inland Container Depots)/CFS (Container Freight Station) to be used for transportation.
7. Calculate the cost of logistics according to different types of shipment modes.
8. Select the multimodal transportation required for shipping.
9. Identify suitable methods of communication with the logistics agency, buying offices, and buyers.

UNIT 3.1: Maritime Transportation and Logistics

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the concept of maritime transportation and various shipping modes.
2. Assess factors for selecting the final shipment method and determining the transportation route.
3. Illustrate the process of tracking shipments and managing payment follow-ups.
4. Review and verify shipment documents for accuracy and compliance.
5. Analyse the significance of containerization in shipping logistics.
6. Discuss the criteria for choosing ICDs (Inland Container Depots) and CFS (Container Freight Stations).
7. Calculate logistics costs for different shipment modes.
8. Describe the concept and application of multimodal transportation in shipping operations.
9. Demonstrate effective communication techniques with logistics agencies, buying offices, and buyers.

3.1.1 Concept of Maritime Transportation and Various Shipping Modes

Maritime transportation refers to the movement of goods via sea routes using container ships, bulk carriers, and other vessels. It is the most cost-effective and widely used mode for exporting large volumes of garments and textiles from India to international markets like the USA, EU, and the Middle East. Key Characteristics of maritime transportation are as follows:

- **Cost-Effective for Bulk Shipments:** Ideal for exporting large quantities of finished garments.
- **Long Transit Times:** Generally slower than air freight, but significantly cheaper.
- **Port Infrastructure Dependence:** Exports rely on major ports such as Mumbai (JNPT), Chennai, Tuticorin, and Mundra.



Fig. 3.1.1: Maritime Transport

Various modes of maritime transport are as follows:

1. Full Container Load (FCL): This means that the exporter books an entire container for a single shipment.

- **When Used:** Large-volume orders from buyers.
- **Advantages:** Reduced risk of contamination or mix-up; more control over loading.
- **Typical Container Types:** 20ft and 40ft containers.



Fig. 3.1.2: FCL services

2. Less than Container Load (LCL): This means that the exporter shares a container with other shippers.

- **When Used:** Smaller shipments or trial orders.
- **Advantages:** Cost-effective for small loads.
- **Disadvantages:** Higher risk of delays, potential damage from mixed cargo.



Fig. 3.1.3: LCL services

3. Roll-on/Roll-off (Ro-Ro) Shipping (less common for apparel): It relies on the shipping method where cargo (usually vehicles) is rolled on and off the vessel.

- **Relevance:** Rarely used for apparel, but may be involved in the transportation of sewing machinery.



Fig. 3.1.4: Roll On and Roll Off

4. Break-Bulk Shipping: This means that goods are loaded individually rather than in containers.

- **Relevance:** Rarely used in apparel unless exporting large machinery or equipment for textile production.



Fig. 3.1.5: Break Bulk Cargo

3.1.2 Factors for Selecting Shipment Method and Transportation Route

In the Indian apparel industry, an Export Manager must carefully select the shipment method and transportation route to ensure timely, cost-effective, and reliable delivery of garments to international buyers.

Factors	Discussion
Volume and Weight of Shipment	Favour FCL (Full Container Load) by sea to reduce per-unit cost. Usage of LCL (Less than Container Load) or even air freight for urgent or low-quantity orders is in small volumes.
Delivery Time / Urgency	Air freight or fast shipping routes are preferred during short lead times. Opting for maritime shipping, which is more economical but slower, is effective for flexible delivery schedules.

Factors	Discussion
Cost Considerations	Budget constraints, such as sea freight, are more cost-effective for bulk shipments. High-margin or premium orders may justify air freight despite the higher cost.
Buyer Requirements	Buyers may specify: • Mode of transport (e.g., FOB, CIF) • Preferred ports of entry • Delivery timelines and Incoterms
Destination Country / Region	Routes depend on geopolitical stability, port availability, and distance.
Port and Inland Connectivity	The factory location in India should be near a well-connected dry port (ICD) or seaport.
Customs and Regulatory Compliance	Consider ease of clearance, documentation complexity, and export incentives (e.g., RoDTEP). Routes with a lower risk of customs delay or inspection are favoured.
Product Type and Packaging Sensitivity	High-end fashion garments may require faster and safer transit (air, climate-controlled containers). Durable bulk apparel is suitable for longer sea routes.
Seasonal Demand and Market Trends	Peak fashion seasons (e.g., Spring/Summer collections) require strict delivery adherence. Delays can lead to order cancellations or financial penalties.
Risk Management	Security risks, piracy zones, or unstable regions may force rerouting or the selection of safer carriers. Insurance and force majeure clauses also influence transport decisions.
Carrier Reliability and Track Record	Choose reputed shipping lines and freight forwarders with a history of on-time delivery and minimal damage claims.

Table 3.1.1: Factors for Selecting Shipment Method and Transportation Route

An Example of a Decision Scenario for an Export Manager is provided below:

Situation	Preferred Method	Reason
Bulk shipment to Germany with a 30-day lead time	FCL via JNPT to Hamburg	Economical, sufficient time
Small, urgent order to New York	Air freight from Delhi	The speed required for the deadline
Moderate shipment to UAE	LCL via Mundra or Cochin	Cost-efficient with short transit time
High-end garments for Paris Fashion Week	Air or fast sea route	Priority on condition and timing

Table 3.1.2: Decision Scenario for an Export Manager

3.1.3 Shipment Tracking and Payment Follow-Up Process

Efficient shipment tracking and timely payment follow-up are essential responsibilities of an Export Manager. These processes ensure that garments are delivered to international buyers as scheduled and that payments are received as per agreed terms. The following table outlines the key steps involved in tracking shipments and managing payment collection, including responsible parties, required documents, and tools used throughout the export cycle.



Fig. 3.1.6: Shipment Tracking

Stage	Process Step	Description / Action	Responsible Party	Key Documents / Tools
Shipment Tracking	Booking Confirmation	Confirm space with the shipping line or forwarder	Export Manager / Logistics Team	Shipping Bill, Booking Confirmation
	Container Stuffing & Dispatch	Load goods, seal the container, and move to the port	Factory / Freight Forwarder	Packing List, EGM, Gate Pass
	Tracking Shipment	Monitor vessel movement and transit checkpoints	Export Manager	Shipping Line Portal, Container Tracking ID
	Buyer Communication	Share tracking details, ETA, and shipping documents	Export Manager	Bill of Lading, Tracking Report
	Delivery Confirmation	Ensure the buyer receives goods and confirms delivery	Buyer	Delivery Receipt, Goods Received Note (GRN)
Payment Follow-Up	Review Payment Terms	Verify agreed mode of payment (Advance, LC, DP, OA)	Export Manager / Finance Team	Contract / Sales Agreement
	Document Dispatch	Send shipping and financial documents to the buyer or bank	Export Manager / Bank	B/L, Invoice, Packing List, CO, Insurance, LC Draft

Stage	Process Step	Description / Action	Responsible Party	Key Documents / Tools
	Bank Coordination	Track document handling and compliance with LC terms or DP instructions	Export Manager / Bank	Bank Acknowledgment, Swift Messages
	Buyer Payment Confirmation	Follow up for payment receipt confirmation	Export Manager / Finance Team	Bank Advice, Remittance Slip
	Accounting & Closure	Record transaction, update export ledger, and close order	Finance Department	Payment Record, Invoice Status, ERP Entry

Table 3.1.3: Shipment Tracking and Payment Follow-Up Process

3.1.4 Review and Verification of Shipment Documents

The accuracy and compliance of shipping documents are critical to ensuring smooth customs clearance, timely payment, and buyer satisfaction. For an Export Manager in the Indian apparel industry, reviewing and verifying shipment documents is a vital step in the post-shipment process. It involves checking all documents for correctness, consistency with contract terms (especially under Letters of Credit), and adherence to both domestic and international trade regulations.

Step	Description	Documents Involved	Responsibility
Document Collection	Gather all relevant shipping and export documents after shipment dispatch.	Bill of Lading, Invoice, Packing List, Certificate of Origin, etc.	Export Manager / Documentation Team
Accuracy Check	Verify all information (dates, quantities, product details, HS codes, consignee info).	All shipment documents	Export Manager
Compliance Verification	Ensure documents comply with: - Buyer requirements - Incoterms - Export regulations	Letter of Credit (if applicable), Export Policy, Customs Guidelines	Export Manager / Freight Forwarder
Cross-Checking with LC Terms	For LC payments, confirm that the document terms match every clause in the Letter of Credit.	LC Copy, Invoice, B/L, Packing List	Export Manager / Bank

Step	Description	Documents Involved	Responsibility
Signature and Stamp Check	Verify that the required documents are signed and stamped correctly.	Invoice, B/L, Declaration Forms	Exporter
Document Dispatch	Send verified documents to: - Buyer - Buyer's bank (LC/DP) - Exporter's bank	Courier slip, Acknowledgement	Export Manager / Documentation Team

Table 3.1.4: Review and Verification of Shipment Documents

3.1.5 Significance of Containerization in Shipping Logistics

Containerization is known as the use of standardised, sealable containers for transporting goods, which has revolutionised the way Indian apparel exporters manage international shipments. Improving cargo security, reducing transit damage, and enabling intermodal transport (sea, rail, and road) with minimal handling play a pivotal role in ensuring timely, cost-effective delivery to global markets.



Fig. 3.1.7: Containerization

For export managers, containerization is not merely a logistical convenience but a strategic necessity. They are responsible for coordinating shipments, optimising space utilisation, adhering to international compliance standards, and managing relationships with shipping lines and freight forwarders. The significance of Containerization in Apparel Exports is as follows:

- **Standardisation & Efficiency:** Containerization involves the use of standard-sized shipping containers (20ft and 40ft), allowing garments to be packed, sealed, and transported across multiple modes (sea, rail, road) without unpacking. This minimises handling, reduces delays, and simplifies tracking.
- **Cost Optimisation:** Full Container Load (FCL) and Less than Container Load (LCL) options allow exporters to optimise space and costs. Bulk exporters like Shahi Exports use FCL to ship large orders, whereas smaller firms may use LCL to consolidate shipments.
- **Damage & Theft Reduction:** Apparel, being a sensitive and high-value product, is vulnerable to theft, contamination, and handling damage. Containerization protects cargo with sealed and tamper-evident containers, ensuring safer deliveries.
- **Faster Turnaround & Supply Chain Reliability:** Fast fashion brands require shorter lead times. Containers can be pre-cleared and tracked, enabling reliable scheduling and Just-In-Time (JIT) deliveries. This strengthens India's reliability as a sourcing destination.

- **Enhanced Documentation & Digitalisation:** Container shipping promotes better documentation and digital processes such as e-Bill of Lading and digital container tracking, making customs clearance smoother and faster.

Real-Life Indian Industry Examples are provided below:

- **Shahi Exports Pvt. Ltd.:** Uses factory stuffing for FCL shipments to brands like H&M. Export managers work with CONCOR and Maersk to track container movement and reduce turnaround time.
- **Gokaldas Exports:** Export managers manage multiple shipping lines to Europe and the US, ensuring documentation and compliance with buyer-specific packing and labelling standards.
- **Arvind Ltd.:** Uses container tracking and e-freight systems for denim exports to the US markets. Their export teams ensure compliance with international container sealing and RFID tracking norms.

Containerization has revolutionised the shipping logistics of the Indian apparel export industry by enhancing efficiency, cost-effectiveness, and reliability. The export manager plays a crucial, multifaceted role in ensuring the success of container-based shipping by coordinating logistics, managing compliance, and maintaining customer satisfaction in a competitive global market.

3.1.6 Criteria for Choosing ICDs and CFS

India's apparel export industry, known for its diversity, craftsmanship, and competitive pricing, relies heavily on a well-coordinated logistics ecosystem. As exporters serve global markets with tight lead times and high compliance expectations, the choice of Inland Container Depots (ICDs) and Container Freight Stations (CFSs) becomes a critical strategic decision. These facilities act as vital nodes between the manufacturing centres located inland and major seaports, enabling efficient cargo handling, consolidation, customs clearance, and transportation.



Fig. 3.1.7: Inland Container Depots (ICDs)

For garment exporters, especially those operating from landlocked regions or away from maritime ports, ICDs and CFSs serve as logistical lifelines. Selecting the right ICD or CFS impacts not only the speed of shipments but also cost control, cargo safety, and the ability to meet buyer expectations on quality and timelines. Factors such as proximity to manufacturing hubs, connectivity to ports, operational efficiency, infrastructure, and value-added services determine the suitability of these facilities.



Fig. 3.1.7: Container Freight Stations (CFS)

Criteria	Why It Matters for Apparel Exports	Example ICD/CFS
Proximity to factories	Reduces inland transit time and cost	ICD Irugur (Tiruppur)
Port connectivity	Ensures faster port access	ICD Whitefield (Bangalore)
Customs efficiency	Avoids shipment delays	ICD Tughlakabad (Delhi)
Infrastructure quality	Supports proper handling of apparel shipments	CFSs in Mundra
Operational speed	Maintains delivery timelines	CONCOR-operated ICDs
Cost-effectiveness	Preserves profit margins	Private ICDs with flexible pricing
Security & compliance	Meets buyer audit and quality assurance norms	CFSs near Chennai & Nhava Sheva
Value-added services	Prepares cargo for final dispatch	CFSs with 3PL facilities

Table 3.1.5: Criteria for Choosing ICDs and CFS

3.1.7 Logistics Cost Calculation for Different Shipment Modes

In the Indian apparel export industry, the choice of shipment mode, such as air, sea (FCL or LCL), rail, or multimodal, directly impacts delivery speed, total logistics cost, and the exporter's profit margin. Apparel is a time-sensitive and volume-based commodity, so export managers must accurately calculate logistics costs to choose the most economical and timely mode of transport while fulfilling buyer requirements.

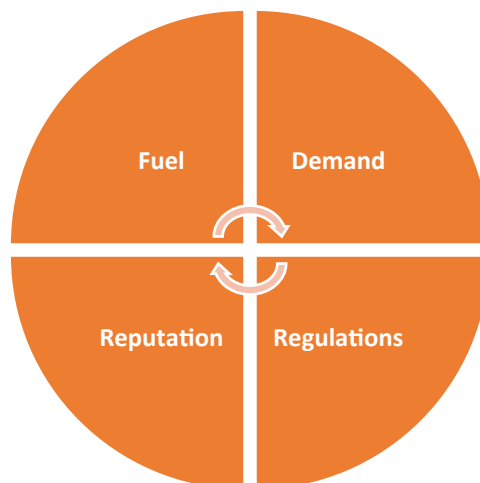


Fig. 3.1.8: Factors which influence the calculation of the trucking rates

A comprehensive cost calculation involves not just the base freight rate but also multiple associated charges, including handling, customs clearance, documentation, insurance, warehousing, inland transport, and last-mile delivery. Understanding the cost dynamics of each shipment mode is critical for strategic planning and competitiveness.

Cost Component	Sea Freight (FCL)	Sea Freight (LCL)	Air Freight	Rail & Inland Transport (via ICDs)	Multimodal Logistics (Rail/Road/Sea)
Freight Charges	Per container (20'/40'), based on route	Per CBM (volume), higher per unit cost	Per kg (chargeable weight)	Per container or per tonne/km	Varies – combination of air/sea/rail rates
Handling Charges	Container stuffing, crane, and loading	Palletising, loading, and de-stuffing charges	Minimal handling; terminal cargo loading	Rail siding loading, crane usage at ICD	Includes multimodal transfer/loading fees
Inland Transport (Factory to Port or ICD)	Trucking charges (₹/km/vehicle)	Trucking to CFS, then port	Direct to the airport or via logistics hub	Trucking to ICD; rail from ICD to the port	Trucking to railhead → rail → port or airport
Customs Clearance & Documentation	CHA, EDI, shipping bill, port charges	CHA, LCL documentation, port dues	Airway bill, CHA, security screening	Customs clearance at ICD, EDI filing	Depends on the primary clearance location
Terminal Handling Charges (THC)	Paid at the gateway port	Higher than FCL due to consolidation efforts	Included in the air cargo terminal fee	Paid at ICD (container yard)	Split across modes – sea/air/ICD charges
Insurance	Based on invoice value & transit risk	Higher premium per unit (due to higher risk)	High-value, short-transit cargo = lower premium	Based on the inland and sea route combination	Cumulative based on full route risk

Cost Component	Sea Freight (FCL)	Sea Freight (LCL)	Air Freight	Rail & Inland Transport (via ICDs)	Multimodal Logistics (Rail/Road/Sea)
Warehousing & Storage	Port CFS or third-party logistics warehouse	More common in LCL – waiting for consolidation	Minimal – just-in-time (JIT) shipping	At the ICD or near the factory before rail movement	At intermodal hubs, depending on connection times
Surcharges (Fuel, Peak, etc.)	Bunker adjustment factor (BAF), congestion	Congestion, documentation, and handling add-ons	Fuel surcharge, war risk, screening	Fuel surcharge for trucking/rail	All combined – congestion, transfer, seasonal fees

Table 3.1.6: Logistics Cost Components by Shipment Mode

Notes to be taken care of are as follows:

- FCL (Full Container Load) is the most cost-effective bulk export method.
- LCL (Less than Container Load) is suitable for small shipments but involves more handling and fees.
- Air freight is the fastest but most expensive means of transportation, and it is ideal for urgent or high-value apparel.
- Rail/ICD routes are economical for inland exporters (e.g., Ludhiana, Bengaluru).
- Multimodal logistics balances cost and speed, but requires tighter coordination.

An accurate logistics cost calculation ensures optimal mode selection and profitability in export operations. Export managers must weigh cost vs. speed and consider buyer expectations, cargo volume, and destination when planning shipments. Leveraging digital freight platforms and cost calculators can also enhance efficiency and transparency.

3.1.8 Concept and Application of Multimodal Transportation

Multimodal transportation refers to the movement of goods under a single contract but using two or more different modes of transport, such as rail, road, sea, and air. In this system, a single carrier (or operator) is responsible for the entire transport journey, even though different modes and subcontractors may be involved. This approach simplifies coordination, reduces delays, and improves logistics efficiency.



Fig. 3.1.9: Multimodal Transportation

Mode Combination	Description	Typical Use Case	Real-World Example
Road + Rail + Sea	Goods are transported by road to the ICD, then by rail to the port, and shipped by sea.	Inland factories exporting in bulk with moderate deadlines	Ludhiana → ICD Ludhiana → Rail to Mundra Port → Ship to Rotterdam
Road + Sea	Direct road transport to the nearest port, followed by sea freight	Factories located near coastlines	Tiruppur → Truck to Tuticorin Port → Ship to Hamburg
Road + Air	Urgent or high-value apparel shipped by air	Small volume or time-critical exports	Noida → Truck to IGI Airport (Delhi) → Air Cargo to London Heathrow
Rail + Road + Sea + Air	Complex or flexible routes combining all modes	Large supply chain operations with multiple destinations	Bengaluru → Rail to Chennai → Road to Mumbai → Air Cargo to New York (via Frankfurt)
Terminal Handling Charges (THC)	Paid at the gateway port	Higher than FCL due to consolidation efforts	Included in the air cargo terminal fee
Insurance	Based on invoice value & transit risk	Higher premium per unit (due to higher risk)	High-value, short-transit cargo = lower premium
Warehousing & Storage	Port CFS or third-party logistics warehouse	More common in LCL – waiting for consolidation	Minimal – just-in-time (JIT) shipping
Surcharges (Fuel, Peak, etc.)	Bunker adjustment factor (BAF), congestion	Congestion, documentation, and handling add-ons	Fuel surcharge, war risk, screening

Table 3.1.7: Application of Multimodal Transportation

Real Life Example: Aditya Birla Fashion and Retail Ltd. utilises multimodal logistics by moving their garments from Bengaluru to Nhava Sheva via ICD Whitefield and then onward to Europe.

Multimodal transportation is an increasingly vital strategy in the Indian apparel export sector, enabling exporters to streamline operations, cut costs, and meet global delivery commitments. With ongoing infrastructure upgrades and digital logistics platforms, the adoption of multimodal solutions is expected to rise further, enhancing India's competitiveness in global apparel trade.

3.1.9 Communication Techniques with Logistics Agencies, Buying Offices, and Buyers

Effective communication is critical in export logistics, especially in the Indian apparel industry, where timely deliveries, quality assurance, and client satisfaction are directly tied to the efficiency of interactions with logistics partners, buying offices, and overseas buyers.

- 1. Communication with Logistics Agencies (e.g., freight forwarders, customs brokers, transport companies):** The primary goal is to coordinate the smooth movement of goods through various stages of shipping, ensure all documentation is prepared and submitted correctly, and promptly resolve any logistical issues that may arise.

Technique	Description
Email Communication	Use for formal booking requests, shipment instructions, and documentation exchange.
Scheduled Calls/VCs	Weekly or milestone-based calls to confirm shipment status and issue resolution
Real-Time Messaging Tools	Use WhatsApp or Slack (if agreed) for quick coordination during stuffing, dispatch, or delays.
Tracking Portals & Apps	Use freight tracking platforms (Maersk, DHL, etc.) and share updates with relevant parties.
Standard Operating Procedures	Share SOP documents for pickup, packaging, labelling, and stuffing to avoid miscommunication.

Table 3.1.7: Techniques for Communication with Logistics Agencies

- 2. Communication with Buying Offices (local sourcing agents or third-party quality control teams):** The purpose of communication with buying offices is to ensure alignment on production schedules, inspection procedures, packaging standards, and shipment timelines before dispatch.

Technique	Purpose
Weekly Progress Reports	Provide structured updates on production status, packing, inspection readiness, and expected dispatch dates.
QC Inspection Coordination	Facilitate planning and communication of inspection dates and criteria to ensure on-time approvals.
Document Review and Approval	Share draft documents such as invoices, packing lists, and labels for review prior to finalisation.
Visual Sharing via Cloud Tools	Share images and videos of packed goods or labels to confirm compliance with buyer standards.
Time-Zone-Sensitive Scheduling	Plan meetings or updates considering the buyer's office location to ensure effective communication.

Table 3.1.8: Recommended Techniques

- 3. Communication with International Buyers (overseas clients or brand representatives):** Communication with buyers is aimed at maintaining transparency, managing delivery expectations, confirming compliance with order specifications, and ensuring satisfaction with service and quality.

Technique	Purpose
Formal Emails and Business Correspondence	Used to confirm purchase orders, shipment bookings, approvals, and issue resolutions in a professional manner.
Buyer ERP Portals or Dashboards	Many international buyers require suppliers to input shipment updates directly into their digital systems for tracking and compliance.
Milestone-Based Updates	Inform buyers at key stages such as inspection clearance, goods dispatch, bill of lading release, and estimated arrival.
CRM Tools and Shared Project Dashboards	Useful for maintaining an organised and transparent view of all pending and completed activities in large or recurring orders.
Professional and Concise Communication	Maintain a clear, polite, and professional tone in all correspondence to uphold the brand relationship.

Table 3.1.9: Recommended Techniques

Summary

- Maritime transportation involves the movement of goods by sea using various shipping modes such as bulk, container, and tanker ships.
- Choosing a shipment method and route depends on several factors, including cost, speed, cargo type, and destination accessibility.
- Shipments are tracked through digital systems, and consistent follow-ups are necessary for ensuring timely payments.
- Shipment documents must be thoroughly checked to ensure they are accurate and meet regulatory requirements.
- Containerization plays a key role in modern shipping by improving cargo safety, handling efficiency, and reducing costs.
- Inland Container Depots (ICDs) and Container Freight Stations (CFSs) are selected based on location, connectivity, and service availability.

Exercise

Multiple-choice Question:

1. What is a primary feature of maritime transportation?
 - a. Air travel of goods
 - b. Transport of goods by rail
 - c. Movement of goods by sea
 - d. Delivery using road trucks

2. Why is containerisation important in shipping logistics?
 - a. Increases delivery time
 - b. Adds more paperwork
 - c. Improves handling and reduces cargo damage
 - d. Makes goods heavier

3. What helps in tracking shipments?
 - a. Road maps
 - b. Manual registers
 - c. Digital tracking systems
 - d. Verbal reports

4. What should be done before finalising shipment documents?
 - a. Ignore them
 - b. Check for spelling errors only
 - c. Verify for accuracy and compliance
 - d. Send without checking

5. What is a key factor when selecting an ICD or CFS?
 - a. Colour of the building
 - b. Staff uniforms
 - c. Location and connectivity
 - d. Age of the facility

Descriptive Questions:

1. Explain the main types of shipping modes used in maritime transportation.
2. Describe the factors to consider when selecting a shipping method and route.
3. How does shipment tracking help in managing the logistics process?
4. Why is it important to verify shipment documents before dispatch?
5. What is multimodal transportation, and how is it used in shipping operations?

Notes

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Scan the QR codes or click on the link to watch the related videos



<https://youtu.be/AaaP2439kfY?si=5sQaWeMyFil6zl25>

How to choose the right shipping method?



https://youtu.be/et_jG5rnKa4?si=i7QDhmeYWuskVOdE

How Does Containerization Impact Shipping Logistics?



<https://youtu.be/aetNM42TztI?si=cNnJUiygdm6T8oEz>

International logistic Management



4. Maintaining a Healthy, Safe and Secure Working Environment in the Organisation with Gender and PwD Sensitisation



Unit 4.1 - Safety, Compliance, and Gender Equality

Unit 4.2 - Maintenance and Waste Management

Unit 4.3 - Tools, Equipment, and Risk Management



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Explain health and safety practices and their importance in the workplace.
2. Describe gender equality methods and PwD sensitisation programmes in the apparel industry.
3. Illustrate common hazards like physical injuries and electric shocks associated with sewing machines.
4. List compliance requirements and safe handling procedures for stitching operations.
5. Explain the usage and benefits of personal protective equipment (PPE) like nose masks and lock guards.
6. Discuss organisational standards, greening solutions, and relevant regulations.
7. Identify potential risks and threats in the workplace, such as fire and machine-related injuries.
8. Demonstrate proper maintenance, cleaning, and storage of tools, equipment, and cleaning materials.
9. Assess the best material usage strategies to minimise waste and promote sustainability.

UNIT 4.1: Safety, Compliance, and Gender Equality

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain workplace safety and health practices.
2. Discuss the importance of following health, safety, gender, and PwD guidelines.
3. Describe gender equality principles in the apparel industry.
4. Analyse hazards linked to stitching operations.
5. List personal protective equipment (PPE) used in the workplace.
6. Explain organisational standards, policies, and regulations.
7. Discuss workplace sensitisation and training for gender and PwD awareness.
8. Interpret safety signage and symbols accurately.

4.1.1 Workplace Safety, Health Practices, and Compliance in Stitching Operations

The foundation of apparel manufacturing is stitching operations. Large workforces, repetitive duties, and the utilisation of machinery like sewing machines, overlockers, and cutting tools are common in these processes. In addition to protecting employees, ensuring workplace safety, upholding good health standards, and following the law, Indian exporters are also more competitive internationally. International labour, health, and safety standards are becoming more and more important to buyers from the US, Europe, and other countries. In this regard, maintaining these standards and guaranteeing compliance throughout the production process are crucial tasks for the export manager.

Workplace Safety and Health Practices in Stitching Units are as follows:

1. **Machine Safety:** All sewing and overlock machines must be regularly maintained and fitted with needle guards and eye protection. Emergency stop switches should be accessible, and electrical wiring must be secured to prevent shocks or fire.

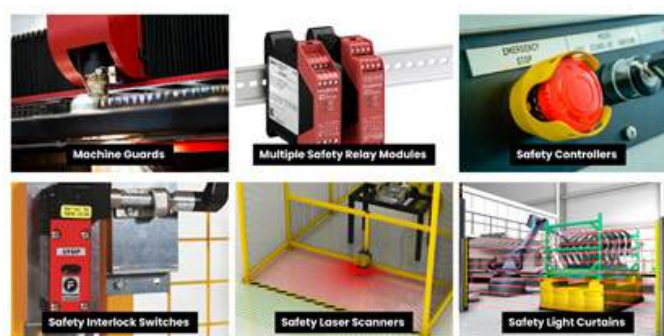


Fig. 4.1.1: Machine safety

2. **Ergonomics:** Chairs and worktables should be ergonomically designed to minimise strain on the back, neck, and wrists. Footrests and adjustable seating can help reduce fatigue and musculoskeletal issues among operators.



Fig. 4.1.2: Ergonomics

3. **Ventilation and Lighting:** Stitching floors must be well-ventilated to prevent heat stress and the accumulation of fabric dust. Adequate natural or artificial lighting must be ensured to reduce eye strain and prevent errors or injuries.

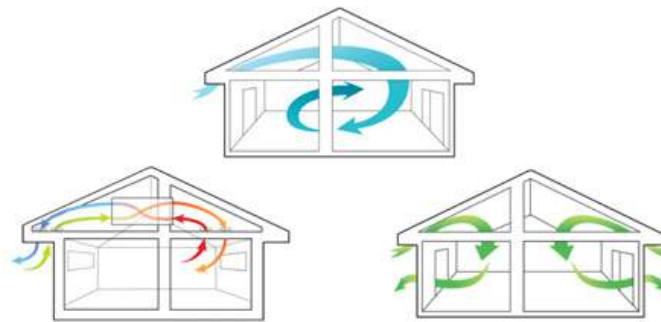


Fig. 4.1.3: Ventilation

4. **Fire Safety:** Fire extinguishers should be strategically placed, and fire exits must be unobstructed. Workers must be trained regularly in fire evacuation procedures and emergency response.



Fig. 4.1.4: Fire safety

5. **First Aid and Health Support:** Basic first aid kits should be accessible at multiple locations on the stitching floor. Tie-ups with local clinics or health camps should be conducted periodically for preventive care.



Fig. 4.1.5: First Aid Box

- 6. Personal Protective Equipment (PPE):** Workers handling cutting or pressing operations should wear gloves, masks, or safety shoes, depending on the risk involved.



Fig. 4.1.6: PPE

- 7. Cleanliness and Hygiene:** Toilets, drinking water stations, and rest areas must be clean and regularly sanitised. Waste material, such as fabric trimmings and threads, should be removed routinely to avoid slips or obstruction.



Fig. 4.1.7: Cleanliness and Hygiene

- 8. Legal and Social Compliance:** Compliance with labour laws such as the Factories Act, Minimum Wages Act, and the Occupational Safety, Health and Working Conditions Code is mandatory. Zero tolerance for child labour, forced labour, and harassment is expected, particularly by international buyers.

A Successful Social Compliance Team



Fig. 4.1.8: Social Compliance

4.1.2 Importance of Adhering to Health, Safety, Gender, and PwD Guidelines

The Indian apparel industry is one of the largest contributors to the country's exports and a significant employer, especially of women. With a strong focus on stitched garments, including shirts, trousers, dresses, and knitwear, the industry supplies to some of the most compliance-conscious markets globally, such as the EU, USA, and Japan. Buyers from these regions increasingly demand that exporters follow not just product quality standards but also workplace compliance related to health, safety, gender equity, and inclusivity, particularly for Persons with Disabilities (PwD). Adhering to these guidelines is both a moral responsibility and a strategic necessity to sustain long-term global partnerships.

The importance of Health and Safety Guidelines is as follows:

Importance	Discussion
Worker Well-being	Ensuring safe and healthy working conditions, such as proper ventilation, machine safety, fire safety, and ergonomics, minimises workplace injuries and illnesses, which in turn leads to better productivity and reduced absenteeism.
Legal Compliance	Compliance with the Factories Act, OSH Code (Occupational Safety, Health and Working Conditions Code), and buyer-specific codes of conduct helps avoid penalties, shutdowns, and order cancellations.
Buyer Audits	Global brands regularly conduct audits (e.g., WRAP, BSCI, SEDEX) that include stringent health and safety criteria. Failure to comply can lead to losing contracts.
Reputation and Retention	A safe and responsible workplace enhances brand value and contributes to workforce loyalty and retention, which are essential in labour-intensive stitching operations.
Professional and Concise Communication	Maintain a clear, polite, and professional tone in all correspondence to uphold the brand relationship.

Table 4.1.1: Importance of Health and Safety Guidelines

Importance of Gender Equality Guidelines is provided below:

Importance	Discussion
Women-Centric Workforce	A large percentage of sewing machine operators and support staff in stitching units are women. Ensuring equal treatment, pay equity, and a harassment-free workplace is essential to maintain a stable and productive workforce.
Legal Requirements	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 mandates Internal Complaints Committees (ICCs), awareness, and redressal mechanisms.
Global Buyer Expectations	Brands like H&M, GAP, and Zara evaluate suppliers based on gender-sensitive practices, including maternity benefits, anti-harassment policies, and leadership training for women.

Importance	Discussion
Empowerment and Efficiency	Promoting women into supervisory roles and offering skill development fosters motivation and reduces turnover, directly improving line efficiency.

Table 4.1.2: Importance of Gender Equality Guidelines

PwD (Persons with Disabilities) Inclusion is essential due to the following reasons:

Reason	Discussion
Social Responsibility	Employing persons with disabilities promotes inclusiveness and reflects a progressive workplace culture, aligned with the Rights of Persons with Disabilities Act, 2016.
Buyer Preferences	Several international buyers encourage sourcing from facilities that support PwD inclusion as part of their ESG (Environmental, Social, and Governance) goals.
Operational Benefits	Many roles in stitching, such as buttoning, quality checking, or packaging, can be effectively performed by people with certain physical disabilities when accommodations are made.
Funding & Certification	Factories employing PwDs may qualify for incentives under schemes like the RPwD Act or CSR-linked programs run by buyer-funded social compliance agencies.

Table 4.1.3: Reason for essentiality of PwD (Persons with Disabilities) Inclusion

In the export of stitched garments, adherence to health, safety, gender, and PwD inclusion guidelines is not just about ethical conduct; it is a key enabler of quality, reliability, and global competitiveness. Exporters who embed these values in their operations stand to gain not only buyer confidence but also a more stable, productive, and motivated workforce. As the apparel industry evolves, compliance with these standards will become a defining benchmark for successful global trade partnerships.

4.1.3 Gender Equality Principles and Workplace Sensitisation in the Apparel Industry

The Indian apparel industry is one of the largest employers of women, particularly in stitching, finishing, and quality-check operations. Gender equality and workplace sensitisation are not just moral imperatives but also strategic priorities in today's global sourcing landscape. International buyers increasingly insist on ethical labour practices, gender equity, and safe, inclusive workplaces. For Indian apparel exporters, adhering to these principles is essential for compliance, reputation, and sustained business. In this ecosystem, the export manager plays a vital role in ensuring gender-sensitive practices are implemented and maintained, both to meet buyer expectations and foster a positive work environment.



Fig. 4.1.9: Gender Equality

Key Gender Equality Principles in the Apparel Industry

1. **Equal Pay for Equal Work:** All employees, regardless of gender, must be paid fairly based on the work performed, without wage discrimination. This supports compliance with Indian labour laws and global ethical standards.
2. **Non-Discrimination in Recruitment and Promotion:** Hiring, promotions, and training opportunities should be based on merit, not gender. Women should be equally considered for supervisory and managerial roles, especially in stitching units where they represent a large segment of the workforce.
3. **Maternity Protection and Support:** Compliant facilities must offer paid maternity leave, provide access to crèche facilities (as required by law for units with 50+ employees), and ensure no employment discrimination against pregnant women.
4. **Protection Against Sexual Harassment:** As mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - An Internal Complaints Committee (ICC) must be formed.
 - Awareness sessions must be conducted regularly.
 - Redressal mechanisms should be confidential, impartial, and timely.
5. **Safe and Gender-Sensitive Work Environment:** Workplace design and policies must support women's physical safety and comfort, including clean toilets, adequate lighting, transportation support for late shifts, and policies addressing workplace bullying or harassment.
6. **Awareness and Training:** Workplace sensitisation must include regular gender-awareness training for all employees, including supervisors and male co-workers, to build mutual respect and prevent discriminatory behaviour.

Promoting gender equality and workplace sensitisation in the apparel industry is both a social responsibility and a competitive advantage. It results in a safer, more respectful work environment and boosts productivity and workforce stability. Export managers, at the intersection of production and global trade, play a crucial role in embedding these principles into daily operations and ensuring that the workplace aligns with both national laws and global buyer expectations.

4.1.4 Safe Use of Equipment, Hazard Management, and PPE Application

The use of sewing machines, pressing equipment, cutting tools, and material-handling gear is central to day-to-day stitching operations for apparel goods. These machines and tools, if not used safely, can pose significant risks to worker health and safety. Therefore, establishing a culture of safety through the appropriate use of equipment, hazard identification, and personal protective equipment (PPE) application is essential. Ensuring these safety practices also aligns with international buyer expectations and labour law compliance, and contributes to overall productivity and morale on the stitching floor.



Fig. 4.1.10: Safe Use of Equipment

Safe Use of Equipment in Stitching Operations is listed below:

- Sewing Machines:** Operators must be trained in safe machine handling, including proper threading, machine maintenance, and emergency stop usage. Needle guards and finger protectors should be installed where applicable.
- Cutting Equipment:** Manual and electric cutters must be used with proper blade guards. Workers must be trained to maintain correct posture and grip to avoid accidents.
- Pressing Machines:** Heat press and steam iron operators must follow guidelines for temperature control, proper use of hoses, and heat-resistant gloves.
- Material Handling Trolleys & Lifting Tools:** Trolleys and bins should be ergonomically designed to reduce strain, and workers must avoid manual overloading or unsafe lifting.
- Machine Maintenance:** All equipment should be serviced regularly to prevent malfunction. Lock-out/tag-out procedures should be followed during repairs or maintenance.

Category	Description	Recommended Control Measures
Common Hazards:		
Needle puncture injuries	Injuries from fast-moving sewing machine needles	Use needle guards; train operators on safe hand positioning

Category	Description	Recommended Control Measures
Cuts from sharp tools	Cuts from scissors, electric cutters, and trimmers	Provide cut-resistant gloves; keep tools in designated areas
Burns from irons/ steam presses	Burns due to improper handling of heated pressing equipment	Use heat-resistant gloves; mark hot zones; conduct safety training
Fire hazards	Caused by fabric lint accumulation or faulty electrical systems	Install smoke detectors, clean lint regularly, and check wiring routinely
Slips and trips	Due to loose threads, fabric scraps, or tools on the floor	Ensure frequent cleaning, implement waste segregation, and mark aisles clearly
Hazard Identification & Reporting:		
Safety audits	Periodic walk-throughs to detect and document potential risks	Conducted by supervisors or safety officers at scheduled intervals
Worker reporting	Empowering employees to report hazards or unsafe practices	Provide anonymous reporting channels; reward hazard identification
Visual signage	Use of posters, floor markings, and labels to indicate risks	Post near equipment and hazard zones; use multilingual signs where needed
Control Measures:		
Tool isolation & lockers	Prevent unauthorised or unsafe tool usage	Allocate secure storage and define usage protocols
Fire safety equipment	Availability and accessibility of extinguishers, alarms, and emergency exits	Conduct monthly checks; train workers in fire drills.
Electrical safety	Ensuring safe, compliant electrical installations	Use ISI-marked cables; hire certified electricians for maintenance
Waste management	Managing textile waste and clutter	Use bins at each workstation; conduct hourly cleaning routines

Table 4.1.4: Hazard Management in Stitching Units

Safe use of equipment, hazard control, and proper PPE application are critical to reducing workplace injuries, ensuring smooth production, and maintaining compliance with domestic laws and global buyer requirements. In stitched garment production, where most operations are machine-intensive and repetitive, a robust safety framework contributes directly to operational efficiency and brand credibility.

4.1.5 List Personal Protective Equipment (PPE)

Personal Protective Equipment (PPE) is essential in the workplace to protect employees from various hazards such as physical injuries, chemical exposure, airborne particles, and noise. The type of PPE required depends on the nature of the job and the associated risks. Proper use, maintenance, and training are critical to ensure the effectiveness of PPE and overall workplace safety.



Fig. 4.1.11: PPE

A list of PPE used in the workplace is discussed as follows:

- **Safety helmets (hard hats):** Protect the head from falling objects or impacts.
- **Safety goggles and face shields:** Shield eyes and face from chemical splashes, debris, or radiation.
- **Hearing protection (earplugs or earmuffs):** Reduce exposure to high noise levels.
- **Respiratory protection (masks, respirators):** Guard against inhaling harmful dust, fumes, gases, or vapours.
- **Protective gloves:** Defend hands from chemicals, cuts, abrasions, and heat.
- **Safety footwear (steel-toe boots, anti-slip shoes):** Prevent foot injuries from heavy objects or slips.
- **High-visibility clothing:** Increases workers' visibility, especially in low-light or high-traffic areas.
- **Protective clothing (coveralls, lab coats):** Shields skin and personal clothing from contaminants or extreme conditions.
- **Fall protection equipment (harnesses, lanyards):** Prevent falls when working at heights.
- **Face masks or shields:** Offer protection against infectious agents or fine particulates.

4.1.6 Interpretation of Organisational Policies, Safety Signage, and Regulatory Standards

In India's apparel manufacturing sector, especially in stitching units and export-focused factories, compliance with organisational policies, safety signage, and national regulatory standards is vital for worker welfare, factory sustainability, and adherence to buyer requirements. The ability of managers, supervisors, and floor workers to correctly interpret these policies and signs ensures smoother operations, fewer accidents, and legal compliance.



Fig. 4.1.12: Safety Signage

Organisational policies in apparel units generally cover safety procedures, quality control, grievance redressal, environmental standards, and code of conduct. Interpreting these policies correctly ensures that everyone in the workplace knows their responsibilities. Key aspects include:

Aspects	Discussion
Health & Safety Policy	Specifies factory obligations to provide a safe working environment. Workers should understand provisions like mandatory use of PPE, accident reporting, and emergency response procedures.
Code of Conduct	Defines ethical behaviour, non-discrimination, and anti-harassment measures. Often aligns with global buyer expectations.
Attendance & Leave Policies	Clarity on shift timings, breaks, leave entitlements, and overtime pay helps avoid misunderstandings and disputes.
Environmental Policy	Encourages responsible use of resources, waste segregation, and compliance with pollution norms.

Table 4.1.5: Key aspects of Organisational Policies

The export manager ensures that these policies are documented, translated if necessary (e.g., into regional languages for shop floor staff), communicated through training sessions, and regularly reviewed to stay aligned with buyer and regulatory expectations.

Safety Signage: Interpretation and Compliance

Safety signage is used to visually communicate important safety information. In Indian apparel units, especially stitching sections, the correct interpretation of these signs is essential for daily operations.

Type	Colour Code	Meaning & Example
Mandatory Signs	Blue Circle	"Wear Safety Gloves", "Hearing Protection Required"
Prohibition Signs	Red Circle	"No Smoking", "Do Not Touch", "No Entry Without Permission"
Warning Signs	Yellow Triangle	"High Voltage", "Sharp Tools", "Hot Surface"
Emergency Signs	Green Rectangle	"Exit Route", "First Aid Station", "Emergency Assembly Point"

Table 4.1.6: Common Types of Safety Signs

The export manager plays a critical role in ensuring that the factory's practices are in alignment with buyer compliance protocols as well as national legal norms. This involves staying updated with the specific standards demanded by international clients and ensuring these are integrated into daily operations.

The export manager is also responsible for coordinating with the Human Resources and Compliance departments to maintain accurate and up-to-date documentation. This includes training records, inspection reports, audit findings, and employee safety protocols. The manager helps organise regular training sessions to raise awareness among workers about safety, ethical conduct, and compliance expectations.

4.1.7 Workplace Sensitisation and Training for Gender and PwD Awareness

Workplace sensitisation and training for gender and Persons with Disabilities (PwD) awareness are crucial for fostering an inclusive, respectful, and equitable work environment. These programs aim to educate employees on the importance of diversity, eliminate stereotypes, prevent discrimination, and ensure accessibility and equal opportunities for all individuals regardless of gender or ability. Regular training helps in creating a more empathetic and collaborative workplace culture.

The importance of workplace sensitisation and training for gender and PwD awareness is discussed as follows:

- **Promotes inclusivity:** Sensitisation helps build a culture of acceptance and respect for all employees, regardless of gender or physical/mental ability.
- **Breaks stereotypes:** Training helps dispel myths, biases, and misconceptions associated with gender roles and disabilities.
- **Encourages empathy and understanding:** Interactive sessions and real-life scenarios foster a better understanding of the challenges faced by women and PwDs.

- **Improves communication:** Employees learn appropriate language, behaviour, and etiquette when interacting with colleagues of different genders and abilities.
- **Strengthens workplace policies:** Training supports the implementation and enforcement of non-discriminatory practices and grievance redressal mechanisms.
- **Ensures accessibility:** Sensitisation raises awareness about making physical spaces, technology, and communication accessible to PwDs.
- **Enhances employee morale:** A respectful and supportive environment boosts confidence, motivation, and job satisfaction among marginalised groups.
- **Supports legal compliance:** It ensures the organisation adheres to laws and regulations related to gender equality and disability inclusion.
- **Fosters teamwork and collaboration:** When employees feel valued and understood, it enhances cooperation and productivity across teams.
- **Reduces discrimination and harassment:** Ongoing awareness programs help prevent unconscious bias, gender-based violence, and discrimination against PwDs.

4.1.8 Safety Signage and Symbols

The interpretation of safety signage and symbols is given as follows:

1. **Red circle with a line through it (Prohibition Sign):** Indicates actions that are not allowed, such as “No Smoking” or “No Entry.”
2. **Yellow triangle with a black border (Warning Sign):** Warns of potential hazards like “High Voltage” or “Slippery Surface.”
3. **Blue circle (Mandatory Action Sign):** Specifies actions that must be followed, such as “Wear Safety Helmet” or “Use Ear Protection.”
4. **Green square or rectangle (Emergency Information Sign):** Provides information related to emergency exits, first aid kits, or safety assembly points.
5. **Red square or rectangle (Fire Safety Sign):** Indicates the location of fire safety equipment like extinguishers, alarms, or hose reels.
6. **Exclamation mark in a triangle:** General warning to pay attention to possible danger or caution in the area.
7. **Skull and crossbones symbol:** Warns of toxic or poisonous substances present.
8. **Flame symbol:** Indicates flammable or combustible materials.
9. **Person slipping symbol:** Warns of a slippery surface or floor.
10. **Cross symbol (usually green):** Indicates first aid station or medical assistance area.

SAFETY SIGNS AND SYMBOLS



Fig. 4.1.13: Safety Signage and Symbols

UNIT 4.2: Maintenance and Waste Management

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the Importance of Running Maintenance Within Schedules
2. Describe Effective Cleaning and Maintenance Techniques for Tools and Equipment
3. Illustrate the Correct Placement of Machine Guards for Safety
4. Discuss the Benefits of Maintaining Correct Posture and Comfortable Working Positions
5. List Appropriate Cleaning Methods and Equipment for Various Tasks
6. Assess Proper Storage Techniques for Cleaning Equipment

4.2.1 Importance of Scheduled Maintenance and Equipment Care

In the Indian apparel industry, especially in stitching operations, sewing machines, pressing equipment, cutting tools, and other mechanical systems are heavily relied upon for consistent and high-quality output. Regular or scheduled maintenance is not just a best practice; it is a critical requirement for operational efficiency, workplace safety, and long-term cost savings.



Fig. 4.2.1: Types of Equipment Maintenance

- **Ensures Equipment Reliability:** Scheduled maintenance prevents unexpected machine breakdowns during peak production. When sewing machines, fabric cutters, or steam presses are regularly serviced, lubricated, cleaned, and calibrated, they perform more reliably, helping avoid delays in meeting export deadlines.

- **Improves Product Quality:** Properly maintained equipment contributes to consistent stitch density, accurate seam alignment, and neat finishing—factors that significantly impact garment quality. Poorly functioning machines can lead to skipped stitches, uneven tension, or fabric damage, resulting in higher rejection rates and rework.
- **Enhances Worker Safety:** Malfunctioning machinery can pose safety hazards, such as needle breakage, electrical short circuits, or steam burns. Regular inspection of mechanical and electrical components ensures machines operate within safety parameters, thereby protecting workers from accidents.
- **Extends Equipment Lifespan:** Preventive maintenance, such as timely oiling, part replacement, and alignment, reduces long-term wear and tear. This extends the useful life of machinery, reducing capital expenditure on frequent replacements and contributing to better asset management.
- **Reduces Downtime and Increases Productivity:** Unscheduled machine failure leads to production stoppages, idle time, and disrupted workflow. A maintenance calendar minimises such risks by addressing issues before they escalate, ensuring that machines are always ready for use and production targets are met efficiently.
- **Compliance with Buyer and Audit Requirements:** Export-oriented units are often subject to compliance audits from buyers and certification bodies (like WRAP or BSCI), which include checks on machine safety, maintenance records, and workplace conditions. Well-maintained equipment and proper documentation reflect the factory's commitment to quality and safety.
- **Promotes Energy Efficiency:** Regular cleaning and tuning of machines ensure that they run efficiently, use less electricity, and reduce operational costs. Clogged filters or worn-out components can increase energy consumption significantly.

The export manager, although not directly responsible for machine maintenance, plays a key role in ensuring that production infrastructure supports timely and high-quality exports.

Scheduled maintenance and equipment care are essential pillars of productivity and compliance in the Indian apparel export industry. By investing in routine upkeep and training staff in equipment handling, factories not only boost their efficiency and product quality but also ensure a safe and audit-compliant working environment.

4.2.2 Cleaning Techniques and Safe Handling of Tools and Machines

Maintaining cleanliness and ensuring the safe handling of tools and machines are essential practices in stitching units of the Indian apparel industry. These practices help maintain high production quality, enhance worker safety, and ensure compliance with international buyer and regulatory expectations.

Category	Activity Description	Frequency/Instructions
Cleaning Techniques		
Daily Cleaning	• Wipe machine surfaces with a lint-free cloth • Clear bobbin & feed dogs • Clean oil/grease spills	Daily, before or after shifts

Category	Activity Description	Frequency/Instructions
Weekly Cleaning	• Clean needle plates • Vacuum motor/pedal area • Empty waste bins and clean workstations	Once a week
Monthly Deep Cleaning	• Dismantle machine guards • Clean oil reservoirs • Inspect and clean cutting tools	Monthly, by trained personnel
Cleaning Materials	• Use manufacturer-approved solvents/oils • Avoid water on electrical parts • Use air blowers	As needed, with appropriate tools
Safe Handling of Tools & Machines		
Tool Safety	• Store sharp tools properly • Pass sharp tools handle-first • Wear gloves for hot/sharp tools	Continuous practice
Machine Handling	• Operate only after training • Turn off before maintenance • Keep your hands clear of the needle area	Mandatory operating protocols
Personal Safety	• Avoid loose clothes/jewellery • Tie back long hair	At all times during machine use
Electrical Safety	• Avoid socket overloading • Ensure grounding • Reporting sparks/noise immediately	Ongoing vigilance
Maintenance & Repairs	• Only trained staff are allowed • Keep maintenance logs • Tag/remove faulty tools	As per the maintenance schedule & issue reporting

Table 4.2.1: Cleaning Techniques in Stitching Units

Though not directly involved in day-to-day operations, the export manager has a vital interest in ensuring safe and clean production environments:

- Coordinates with production and compliance teams to ensure that cleaning protocols are documented and followed.
- Reviews safety reports and ensures corrective actions are taken where needed.
- Ensures readiness for buyer and third-party audits that often inspect machine cleanliness and safety measures.
- Promotes awareness of workplace safety culture through training initiatives and feedback loops.



Fig. 4.2.2: Cleaning and safe handling in stitching operations within the Indian apparel industry

In stitching operations within the Indian apparel industry, proper cleaning and safe handling of machines and tools are non-negotiable elements of operational excellence. They reduce the risk of injury, improve machine efficiency, and contribute to the overall quality and timely delivery of export consignments. Export managers, while not operational leads, play a key role in integrating these practices into the factory's compliance framework.

4.2.3 Safety Measures: Machine Guards and Ergonomic Work Practices

Machine guards are protective devices installed on or around moving parts of machines to prevent direct contact by the operator. Their application is essential to prevent needle punctures, entanglement injuries, and accidents involving belts or cutting blades.

Machine Guard Covering a Pulley System



Fig. 4.2.3: Machine Guard

Type of Guard	Function	Commonly Used On
Needle Guard	Prevents finger injuries during stitching	Sewing machines
Belt & Pulley Cover	Shield operators from rotating belts and pulleys	Overlock and flatlock machines
Finger Guard	Blocks fingers from approaching sharp or hot components	Cutting and pressing equipment
Eye Guard (Transparent Shield)	Protects eyes from broken needle fragments	High-speed sewing machines
Electrical Enclosure	Protects from shock hazards from wires or terminals	All motorised equipment

Table 4.2.2: Types and Applications of Machine Guards

Ergonomics refers to designing the work environment to fit the worker, reducing physical strain and repetitive stress injuries common in stitching units.



Fig. 4.2.4: Ergonomics Safety

Practice	Description
Adjustable Seating	Use chairs with back support and height adjustment for posture control
Proper Table Height	Tables should align with the elbow level to reduce shoulder strain.
Foot Pedal Positioning	Place foot pedals to allow a natural and relaxed foot movement.
Anti-Fatigue Mats	Use for standing workstations to reduce leg and back fatigue.
Adequate Lighting	Minimise eye strain and help with stitch accuracy
Task Rotation	Alternate repetitive tasks to reduce muscle fatigue and improve focus
Stretch Breaks	Schedule regular short breaks for stretching and eye relaxation.

Table 4.2.3: Ergonomic Practices for Stitching Operators

Proper use of machine guards and ergonomic practices in stitching units minimises injuries, boosts productivity, and supports social compliance. These measures, though operational in nature, significantly impact the export manager's ability to meet buyer expectations for safe and ethical production environments.

4.2.4 Benefits of Maintaining Correct Posture and Comfortable Working Positions

Maintaining correct posture and comfortable working positions is essential for physical health, productivity, and overall well-being. It helps prevent musculoskeletal disorders, reduces fatigue, and promotes efficient body movement during work. Practising good posture, especially in desk-bound or repetitive tasks, contributes to long-term occupational health and enhances focus and energy levels.



Fig. 4.2.5: Correct Posture and Comfortable Working Position

The benefits of maintaining correct posture and comfortable working positions are discussed as follows:

- **Reduces risk of injury:** Prevents strain on muscles, joints, and ligaments, lowering the chances of back, neck, and shoulder injuries.
- **Improves circulation:** Promotes better blood flow, reducing the risk of numbness, cramps, and varicose veins.
- **Boosts concentration and energy:** Proper posture enhances oxygen intake and circulation, which can lead to increased alertness and reduced fatigue.

- **Minimises discomfort and pain:** Helps avoid tension and pain caused by poor alignment or prolonged awkward positions.
- **Enhances physical appearance:** Good posture gives a more confident and professional appearance.
- **Supports long-term health:** Reduces the likelihood of chronic conditions such as carpal tunnel syndrome or spinal issues.
- **Improves breathing and digestion:** Upright posture supports better lung function and efficient digestion.
- **Increases work efficiency:** Comfortable and ergonomic positions improve ease of movement and task performance.

4.2.5 Appropriate Cleaning Methods, Tools, and Waste Disposal Practices

Regular cleaning and proper waste disposal in stitching units help ensure machine efficiency, garment hygiene, worker safety, and compliance with buyer and audit requirements. A clean and orderly workplace also supports productivity and morale.

Cleaning Frequency	Area/Item	Method
Daily	Sewing machine surfaces	Wipe with a dry lint-free cloth to remove dust and thread bits
Daily	Floor/workstation	Sweep and mop at the start/end of shift to prevent slips and fabric soiling.
Weekly	Bobbin area & feed dogs	Clean with a soft brush or compressed air
Weekly	Chairs & operator tables	Disinfect with a mild cleaning solution
Monthly	Inside machine compartments	Open covers and clean using a vacuum or air blower (by trained staff)
Monthly	Cutting tools	Remove rust and adhesive residues with proper solvents

Table 4.2.3: Cleaning Methods

Tool/Equipment	Purpose
Lint-free cloth	For surface wiping without leaving fibres
Soft brushes	To remove lint/thread from narrow areas
Air blower or vacuum	For cleaning motors, bobbin areas, and hard-to-reach spots
Mild detergent/disinfectant	For sanitising work surfaces and chairs
Machine oil/solvents	For cleaning mechanical parts, follow the manufacturer's guidelines.
Protective gloves	For the safe handling of solvents and cleaning agents

Table 4.2.4: Cleaning Tools

Waste Type	Disposal Method
Fabric trimmings/ scraps	Collect in designated bins; segregate for recycling or reuse.
Thread and dust waste	Sweep/vacuum daily; dispose of in closed containers.
Broken needles/sharp items	Use labelled sharps disposal boxes; track for audit compliance.
Oil/chemical residues	Absorb with sand/sawdust and dispose of as per hazardous waste norms.
Packaging material (cartons, plastics)	Segregate for recycling based on material type

Table 4.2.5: Waste Disposal Practices

The Export Manager's Role involves:

- Ensures cleaning protocols align with buyer audit checklists and certifications (e.g., WRAP, SEDEX).
- Coordinates with floor supervisors to implement regular training on waste segregation and safe chemical handling.
- Verifies that cleaning schedules and logs are maintained for audit readiness.
- Promotes sustainable practices like textile scrap recycling and reduction of hazardous chemical use.

4.2.6 Storage and Management of Cleaning Equipment and Materials

Proper storage and management of cleaning tools and materials help maintain hygiene, prevent contamination of garments, ensure worker safety, and avoid equipment misuse or accidents. It also contributes to compliance with buyer standards and factory audit requirements.

Category	Examples
Hand tools	Lint-free cloths, brushes, brooms, and dustpans
Mechanical tools	Vacuum cleaners, air blowers
Chemical agents	Mild detergents, disinfectants, and machine oils
Safety gear	Gloves, masks, eye protection
Waste management aids	Dustbins, sharp item containers, and absorbents

Table 4.2.6: Types of Cleaning Equipment and Materials

Item	Labelling Recommendation
Spray bottles	Clearly label with content name and usage instructions.
Chemical containers	Include hazard symbols and safety precautions.
Shelves and drawers	Use tags for "Cleaning Cloths", "Machine Oil", "Brushes", etc.

Item	Labelling Recommendation
Expiry-sensitive items (e.g., solvents)	Mark the purchase and expiry dates

Table 4.2.7: Labelling and Organisation

Handling and Safety Guidelines

Workers must use cleaning tools and equipment strictly as per their training to avoid accidents or damage, especially with items like vacuums or air blowers. When handling cleaning chemicals such as oils, disinfectants, or solvents, they must wear appropriate personal protective equipment (PPE), including gloves and masks, to minimise health risks. It is crucial not to mix different chemical agents, as doing so may cause dangerous reactions or release harmful fumes. Any broken, defective, or worn-out cleaning tools must be tagged clearly and removed from the work area to prevent misuse or injury.

Waste Equipment Disposal

Worn-out cleaning tools such as brushes and mops should be discarded in dry waste bins or handed over to authorised scrap collectors. Used chemical containers should be rinsed thoroughly and disposed of according to local hazardous waste disposal regulations to prevent environmental contamination. Expired oils, solvents, or other hazardous cleaning agents must be handed over to authorised waste handlers to ensure safe and compliant disposal.

The Export Manager's Role involves the following:

- Verification involves cleaning supplies and tools that are stored safely and aligned with buyer compliance norms.
- Ensuring chemical storage is in accordance with local environmental and occupational safety regulations.
- Encouraging the use of non-toxic, eco-friendly cleaning materials to support sustainable manufacturing.
- Overseeing documentation of chemical usage logs and storage audits during compliance inspections.

UNIT 4.3: Tools, Equipment, and Risk Management

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the safe usage of stitching tools and equipment.
2. Identify and describe potential risks and threats in the workplace.
3. Illustrate ways to minimise waste through optimal material usage.

4.3.1 Safe Usage of Stitching Tools and Equipment



Fig. 4.3.1: Safe Usage of Stitching Tools and Equipment

In stitching units, the use of sewing machines, cutting tools, steam irons, and trimming devices is routine. Improper handling or lack of safety practices can lead to injuries, product defects, and production delays. Adopting safety protocols helps reduce workplace accidents, enhances productivity, and aligns with international buyer compliance standards. Key Aspects of Safe Usage of Stitching Tools and Equipment are as follows:

- **Proper Training and Operation:** All machine operators must be trained to use sewing machines, cutters, and pressing equipment correctly. Workers should know how to start, stop, and adjust machines safely and respond to mechanical faults appropriately. Machines should only be operated by authorised and trained personnel.

- **Regular Inspection and Maintenance:** Machines must undergo routine inspections to check for loose wires, worn parts, oil leaks, or misalignments. Regular preventive maintenance reduces the risk of malfunction and prolongs the life of the equipment.
- **Personal Protective Equipment (PPE):** Operators should wear safety gear such as finger guards, gloves when handling cutting tools, and closed footwear to prevent injuries. Eye protection may be required in areas with a risk of flying debris or high-intensity lighting.
- **Safe Handling of Sharp Tools:** Tools like scissors, rotary cutters, and seam rippers should be handled carefully, stored in secure holders, and passed handle-first to others to prevent injuries. Dull or damaged blades must be replaced promptly to ensure clean cuts and minimise operator effort.
- **Electrical Safety:** Machines must be properly grounded, and all electrical components checked periodically by qualified personnel. Workers should be instructed never to operate machinery with wet hands or near spilled liquids. Overloading power strips or using damaged cords should be strictly avoided.
- **Ergonomic Work Practices:** Operators should be seated at the correct height and posture, with foot pedals and hand tools positioned comfortably. Adjustable chairs and anti-fatigue mats help reduce musculoskeletal stress and long-term injury risks.
- **Emergency Protocols:** Each stitching unit should be equipped with emergency stop buttons, clear signage, and first aid kits. Workers must be trained to respond quickly to electrical faults, needle injuries, or machine jams.

The export manager ensures safety protocols align with international buyer requirements, develops Standard Operating Procedures (SOPs), and presents documentation during audits. They also mitigate risks by maintaining high safety standards in stitched item production, reducing downtime, avoiding delays, and protecting the company's reputation.

4.3.2 Identification of Workplace Risks and Threats

The Indian apparel industry, especially in the stitched items segment, operates in highly labour-intensive environments involving manual operations, semi-automated machinery, and multi-tiered production floors. This setting presents a range of occupational risks and safety threats that can impact worker health, production continuity, and compliance with global standards. Effective identification and mitigation of these risks are critical to maintaining productivity, legal compliance, and buyer trust.

Category	Risk/Threat	Description
Physical Risks	Needle puncture injuries	Common due to high-speed machines and poor hand positioning
	Cuts and lacerations	Caused by scissors, rotary cutters, or trimming tools
	Burn injuries	Results from steam presses, hot irons, or heat-sealing machines
	Slips, trips, and falls	Caused by fabric waste, misplaced tools, or slippery floors
Ergonomic Risks	Repetitive motion injuries	Lead to musculoskeletal disorders from prolonged repetitive tasks
	Poor posture	Due to improperly adjusted furniture or machine height

Category	Risk/Threat	Description
	Eye strain	Caused by insufficient lighting or focusing on intricate work
Electrical and Fire Hazards	Faulty wiring	Can lead to short circuits or fire hazards
	Accumulated lint and dust	Increases fire risk near heat-producing equipment
	Inadequate fire safety measures	Absence of alarms, extinguishers, or evacuation routes
Chemical and Environmental Risks	Exposure to chemicals	Skin or respiratory issues from solvents, adhesives, and cleaners
	Inhalation of fibre dust	Especially dangerous in poorly ventilated environments
	Noise pollution	Continuous machinery noise may impair hearing.
Psychosocial Risks	High production pressure	Can cause mental fatigue and burnout
	Lack of grievance redressal	May lead to dissatisfaction and unsafe behaviour
	Harassment or gender discrimination	Affects safety and morale in a largely female workforce
Operational & Compliance Risks	Improper machine maintenance	Can cause unexpected breakdowns or accidents
	Untrained workers	Increase the risk of equipment misuse or accidents.
	Non-adherence to safety SOPs	Leads to audit failures and non-compliance with buyer standards

Table 4.3.1: Workplace Risks and Threats in Stitching Operations

The role of Export Manager in Risk Identification and Mitigation is:

- Coordinating with factory managers and compliance teams to conduct regular workplace safety audits and risk assessments.
- Ensuring training programs are in place for hazard awareness and machine handling.
- Maintaining documentation required for buyer compliance, including safety records and preventive action reports.
- Addressing safety concerns raised by international buyers or auditors and implementing corrective actions proactively.

4.3.3 Waste Minimisation through Optimal Material Utilisation

Waste minimisation through optimal material utilisation is a critical component of sustainable and cost-effective manufacturing in the Indian apparel industry, especially within the stitching and garmenting units. By strategically managing raw materials and processes, factories can reduce fabric waste, lower production costs, and meet buyer expectations for environmentally responsible practices.

Waste Minimisation Area	Objective	Key Methods
Fabric Planning and Marker Efficiency	Maximise the garments cut per unit of fabric	• Use CAD systems for efficient marker making • Arrange patterns to minimise off-cuts • Combine similar orders for better utilisation
Precision Cutting Techniques	Reduce cutting waste and improve material yield	• Maintain cutting tools regularly • Train operators on accurate blade/fabric handling • Use laser/die-cutting for precision
Leftover Fabric Utilisation	Reuse remnants and reduce fabric disposal	• Use scraps for pockets, linings, etc. • Allocate for sampling or promotional items. • Sell remnants to recycling units or artisans.
Process Optimisation and Line Balancing	Improve efficiency and reduce production-stage material wastage	• Balance sewing lines to avoid overproduction • Minimise sampling errors and rejections
Defect Control and Rework Minimisation	Prevent waste caused by defective output or rework	• Conduct inline quality checks • Ensure skilled stitching to avoid fabric damage • Track defect causes for correction
Waste Sorting and Recycling	Enable effective segregation and material recovery	• Separate waste by material type • Partner with recyclers for reuse • Maintain waste logs for analysis

Table 4.3.2: Waste Minimisation

Summary

- Workplace safety involves using proper health practices and following rules to prevent accidents and ensure employee well-being.
- It is important to follow health, safety, gender, and disability guidelines to maintain a respectful and secure work environment.
- Gender equality in the apparel industry includes fair treatment, equal opportunities, and an inclusive workplace culture.
- Stitching operations can involve hazards like needle injuries, poor lighting, and improper sitting posture, requiring awareness and caution.
- Personal protective equipment, such as gloves, masks, and safety goggles, helps protect workers from injury and exposure to harmful substances.
- Proper maintenance of tools, machine guards, and cleaning methods ensures safety, reduces risks, and supports sustainable work practices.

Exercise

Multiple-choice Question:

1. What is the main purpose of using personal protective equipment (PPE) in the workplace?
 - a. To reduce noise levels
 - b. To make work faster
 - c. To protect workers from harm
 - d. To decorate the uniform
2. What does gender equality in the apparel industry focus on?
 - a. Hiring only male workers
 - b. Giving bonuses to everyone
 - c. Equal treatment and opportunities for all genders
 - d. Promoting fashion trends
3. Why is it important to follow maintenance schedules for machines?
 - a. To increase electricity usage
 - b. To reduce wear and tear and avoid breakdowns
 - c. To keep workers busy
 - d. To delay production
4. Which is an example of a workplace hazard in stitching operations?
 - a. Drinking water
 - b. Using a notebook
 - c. Needle injuries
 - d. Talking to friends
5. What is the benefit of using correct posture while working?
 - a. To take more breaks
 - b. To look professional
 - c. To prevent physical strain and discomfort
 - d. To impress the supervisor

Descriptive Questions:

1. Describe any two personal protective equipment (PPE) used in the apparel workplace.
2. Explain how following gender and PwD guidelines can improve the work environment.
3. What are some common hazards in stitching operations, and how can they be avoided?
4. Write a short note on the importance of cleaning tools and equipment regularly.
5. How does proper posture benefit workers during long hours of stitching?

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Scan the QR codes or click on the link to watch the related videos



https://youtu.be/sxth9Maab4c?si=QgZ_sora3iY9Glgb

Reducing Gender Discrimination



https://youtu.be/p_9hOqdw75o?si=Kymniu07hMCiaH7e

Personal Protective Equipment (PPE)



<https://youtu.be/kElILjwW928?si=KsHd1bpcdyFgnAMs>

Garments & Apparel Manufacturing Industry



https://youtu.be/5xPV8xtQKoI?si=7n9_FCCDHJEWAsT-

Ergonomics in product design





5. Plan for Export Manager – Stitched Items

Unit 5.1 - Shipment Planning and Strategies

Unit 5.2 - Logistics and Compliance Practices



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Explain current trade policies and guidelines related to shipment.
2. Describe the best logistics and shipping strategies, considering trade policies and implications.
3. Identify the shipment type, product details, buyer, and delivery date.
4. Analyse logistics and supply chain factors influencing decision-making.
5. Illustrate the available logistics options for shipment.
6. Carry out a risk assessment for the shipment plan.
7. Assess working practices, compliance procedures, and quality standards.
8. List effective strategies for shipping goods efficiently.
9. Describe a SWOT analysis for the shipment vertical.

UNIT 5.1: Shipment Planning and Strategies

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain trade policies and guidelines for shipment.
2. Describe effective shipping strategies and logistics options.
3. Identify and classify product and shipment types.
4. Determine buyer specifications and delivery dates.
5. Assess potential risks in shipment planning.
6. Analyse shipment operations using SWOT methodology.

5.1.1 Trade Policies and Guidelines for Shipment

One of the biggest exporters of clothing and textiles worldwide is India, and a sizable portion of this commerce is made up of stitched clothing, including shirts, pants, skirts, and suits. The Indian garment industry is renowned for its highly skilled workforce, competitive pricing, and increasing focus on sustainability and quality. In addition to production and packaging, international trading in stitched clothing also requires appropriate documentation, customs clearance, and logistical planning. Exporters of clothing must follow a number of trade laws, legal requirements, and shipping protocols to guarantee the efficient and prompt delivery of goods across international boundaries if they want to be successful in the global market.



Fig. 5.1.1: Shipment

1. **Regulatory Framework:** The Ministry of Textiles and Directorate General of Foreign Trade (DGFT) regulate textile and apparel exports, governed under the Foreign Trade Policy (FTP) – currently 2023–2028. Exporters must obtain an Importer Exporter Code (IEC) from DGFT, which is a mandatory requirement for international trade.
2. **Export Promotion Schemes:** The schemes include the following:
 - **RoDTEP Scheme (Remission of Duties and Taxes on Exported Products):** Refunds unrebated taxes and duties.
 - **Advance Authorisation Scheme:** Allows duty-free import of raw materials used in export production.
 - **Export Promotion Capital Goods (EPCG) Scheme:** Allows the import of capital goods at zero duty when producing export goods.

- **Apparel Export Promotion Council (AEPC):** Provides support in policy advocacy, trade fairs, and market access.
- 3. Product Standards and Quality Control:** Adherence to international quality and safety standards like ISO, OEKO-TEX, etc. Inspection and testing by third-party agencies (SGS, Bureau Veritas, etc.) are common for quality assurance.
- 4. Labelling and Packaging:** Eco-friendly and sustainable packaging is gaining importance. Must include information such as:
 - Country of origin (Made in India)
 - Fiber content
 - Washing/care instructions
 - Size and manufacturer/brand details
- 5. Shipping and Logistics:** Shipment can be FOB (Free on Board) or CIF (Cost, Insurance, Freight) based. Use of EDI (Electronic Data Interchange) and the ICEGATE portal is mandatory for customs clearance. Required documentation includes:
 - Commercial invoice
 - Packing list
 - Bill of lading or airway bill
 - Certificate of origin
 - Export declaration (Shipping Bill via ICEGATE)
 - Inspection Certificate (if required)
- 6. Customs Clearance and Duty Drawback:** Goods must pass inspection by Indian Customs. Exporters can claim Duty Drawback, which is a refund of duties paid on imported materials used in the manufacture of exported goods.

The export manager is responsible for overseeing the entire stitched garment export process. In addition to handling export paperwork, coordinating with production, logistics, and customs officials, and keeping in touch with foreign purchasers, they also make sure that international trade laws are followed. Along with managing shipment timetables, they also negotiate freight and payment arrangements, supervise quality and packaging standards, and reduce the risk of delays or non-compliance. The export manager's ultimate goal is to make sure that clothing is delivered to foreign markets profitably, legally, and efficiently.

5.1.2 Shipping Strategies and Logistics Options

Efficient shipping and logistics are crucial in the apparel export industry, where delivery timelines, garment integrity, and cost control are key to maintaining buyer satisfaction and competitiveness. The Indian apparel sector, with its vast network of manufacturing hubs and ports, employs various shipping strategies and logistics models to ensure the timely and safe export of stitched garments.

Section	Key Point
Shipping Mode	
Sea Freight	Ideal for bulk shipments; cost-effective via major ports using FOB/CIF terms.
Air Freight	Fast delivery for urgent or high-value goods; used for samples and small orders.

Section	Key Point
Multimodal Transport	Combining road/rail/sea/air for inland units to optimise time and cost.
Packing & Consolidation	
Packing	Garments are packed in polybags and cartons with clear labelling.
Consolidation	Small shipments are grouped at CFS to reduce costs.
Palletization	Ensures safe loading and prevents damage during transit.
Logistics Partners	
Freight Forwarders	Manage cargo booking and shipping documentation.
Custom House Agents (CHAs)	Handle customs clearance procedures.
3PL/4PL Providers	Offer integrated logistics and supply chain management.
Documentation	
Key Documents	Includes invoice, packing list, shipping bill, and B/L or airway bill.
Digital Systems	ICEGATE and EDI streamline customs processing.
Cost Optimization	
Shipment Type	Choose FCL or LCL based on cargo volume.
Route Planning	Avoid delays by selecting efficient transit routes.
Backhaul Use	Leverage return routes for lower freight rates.
Long-term Contracts	Negotiate better rates with logistics partners.
Risk Management	
Insurance	Covers loss/damage during transportation.
Tracking Systems	GPS/RFID is used to monitor high-value shipments.
Delay Buffers	Built-in time margin to manage port/customs delays.
Sustainable Logistics	
Green Packaging	Use of recyclable materials and reduced plastic.
Eco-friendly Transport	Tie-ups with logistics firms using carbon-efficient practices.

Table 5.1.1: Shipping Strategies and Logistics Options

5.1.3 Classification of Product and Shipment Types

In the stitched garment sector, products are classified based on type, material, use, and target demographics. This helps exporters comply with buyer requirements, shipping regulations, and international standards.

Category	Classification	Examples/Explanation
By Garment Type	Men's Wear	Shirts, trousers, jackets, suits, jeans
	Women's Wear	Dresses, skirts, tops, blouses, tunics, ethnic wear

Category	Classification	Examples/Explanation
	Kids' Wear	Onesies, frocks, shirts, shorts, school uniforms
	Unisex Apparel	T-shirts, hoodies, active wear
By Material	Cotton-based garments	100% cotton fabrics, breathable and natural
	Synthetic fabrics	Polyester, nylon, rayon – used for durability, stretch, or sheen
	Blended fabrics	Poly-cotton, spandex blends – a balance of comfort and performance
	Sustainable materials	Organic cotton, bamboo fabric, recycled fibres – eco-friendly alternatives
By Use/Function	Casual wear	Every day wear like jeans, T-shirts, casual dresses
	Formal wear	Suits, formal shirts/blouses, office attire
	Sportswear/Active wear	Track pants, gym wear, performance tees
	Work wear/Uniforms	Factory uniforms, school/workplace-specific attire
	Loungewear/Nightwear	Pyjamas, robes, nightgowns, comfort wear
By Target Market	Mass-market/low-cost	Budget-friendly items produced in bulk for large retailers
	Mid-range fashion	Stylish, good-quality garments sold at moderate prices
	Luxury/high-end fashion	Designer or branded garments using premium fabrics, sold at high price points

Table 5.1.2: Classification of Products

Shipment types are categorised by volume, destination, urgency, and packaging. Choosing the right shipment type is vital for cost control and meeting delivery timelines.

Category	Classification	Explanation
By Volume	Full Container Load (FCL)	The entire container is used by one exporter; it is secure and cost-effective for large shipments.
	Less than Container Load (LCL)	Shared space in a container; economical for smaller shipment volumes.
By Urgency	Standard Shipping	Usually via sea; used for regular, non-urgent garment deliveries.
	Express Shipping	Via air; used for urgent or time-sensitive orders, such as samples or new launches.
By Mode of Transport	Sea Freight	Ideal for high-volume, non-urgent shipments; most commonly used mode.

Category	Classification	Explanation
	Air Freight	Fast and suitable for high-value or urgent deliveries.
	Rail/Road Freight	Used for transporting goods from the factory to the port or airport domestically.
	Multimodal Transport	Uses multiple transport modes (e.g., road + sea) for cost and time efficiency.
By Packaging	Flat Pack	Standard method: garments folded and packed in polybags and cartons.
	Hanger Pack (GOH)	Garments are shipped on hangers to prevent wrinkles and are used for premium apparel.
	Vacuum Pack	Space-saving method; used for items like loungewear or basics.

Table 5.1.3: Classification of Shipment Types

5.1.4 Buyer Specifications and Delivery Scheduling

In the stitched garments export business, meeting buyer specifications and adhering to delivery schedules are critical for maintaining international standards, building trust, and avoiding costly penalties or rejections. Buyers, typically overseas retailers, brands, or importers, define detailed expectations regarding product quality, design, labelling, packaging, and timelines. Exporters must align their production, quality checks, logistics, and documentation accordingly.

- 1. Product Design and Fit:** The garment's patterns, measurements, and construction methods must strictly follow the buyer's tech pack and specifications. Size sets must be tailored according to regional sizing systems, such as US, UK, or EU standards.
- 2. Fabric and Trims:** The selected fabric must meet the required composition, GSM, weave or knit type, colour fastness, and finishing quality as specified by the buyer.
Buyers often require the use of certified sustainable materials like OEKO-TEX or GOTS for eco-friendly compliance. All trims, including labels, buttons, and zippers, must be approved by the buyer before bulk production begins.
- 3. Colour and Printing:** Colours must be accurately matched using Pantone colour codes or approved swatches provided by the buyer.
Printing and embroidery must conform to the buyer's preferred techniques, such as screen, digital, or sublimation methods.
- 4. Quality Standards:** Buyers expect garments to meet defined tolerance limits for stitching quality, sizing, and visual defects. Most buyers follow AQL (Acceptable Quality Limit) standards, commonly at AQL levels 2.5 or 1.5 for final inspection.
- 5. Labelling and Packaging:** Each garment must include correct care labels, size tags, barcodes, and price stickers as required by the destination market. Buyers also define specific packaging norms, including polybag thickness, carton sizes, and Garments on Hanger (GOH) needs.
- 6. Compliance Requirements:** Exporters must provide ethical sourcing certifications and clear factory audit records, such as BSCI or SEDEX. All products must comply with the destination country's regulations, including child labour laws and fibre content labelling.

Adhering to delivery schedules is essential in export contracts, especially for seasonal or promotional collections. Delays can result in shipment rejections, penalties, or lost orders.

- 1. Timeline Planning:** Exporters must establish a detailed production timeline that includes pre-production activities like sampling, approvals, and procurement of raw materials. The actual production lead time typically ranges from 30 to 60 days, depending on the order size, garment complexity, and factory capacity. A buffer period should be built into the schedule to accommodate unforeseen delays in production or logistics.
- 2. Delivery Windows:** Buyers specify fixed delivery windows within which goods must arrive at the port of destination or warehouse, and timely delivery is critical to avoid penalties. Missing the agreed delivery window can result in financial losses, shipment rejection, or cancellation of future orders.
- 3. Shipping Coordination:** Exporters must align their shipment readiness with the scheduled vessel or flight departures and reserve space in advance to avoid congestion delays. This includes coordination with freight forwarders and ensuring the cargo is delivered to the port with sufficient lead time for loading.
- 4. Documentation Timeline:** All export-related documents such as the Commercial Invoice, Packing List, Bill of Lading, and Certificate of Origin must be prepared and verified before shipment dispatch. Some buyers also require pre-shipment inspection reports and packing photos to be submitted prior to approving cargo movement.
- 5. Communication and Tracking:** Timely and transparent communication with the buyer about production progress and estimated shipment dates (ETD/ETA) is essential. Many buyers expect real-time tracking updates through ERP systems or shared platforms to monitor key delivery milestones.

Precise adherence to buyer specifications and tight delivery scheduling are critical to success in the global apparel trade. Exporters must integrate quality control, logistics planning, and buyer communication to ensure satisfaction and repeat business.

5.1.5 Risk Assessment in Shipment Planning

Effective shipment planning in the apparel export industry involves identifying and mitigating various risks that can disrupt the delivery schedule, damage goods, or affect regulatory compliance. Risk assessment ensures smoother export operations, cost control, and customer satisfaction.

Risk Area	Risk Description	Mitigation Strategy
Logistics and Transportation Delays	Port congestion, customs delays, transport strikes, or weather disruptions	Use reliable freight forwarders, book shipments early, and plan alternate transport routes
Documentation Errors	Incomplete or incorrect export documents leading to clearance delays or fines	Double-check all documents; use professional CHA and adopt digitised document tracking systems.
Product Damage or Loss in Transit	Physical damage or pilferage during shipment	Use high-quality packaging, implement GPS tracking, ensure shipments, and ensure secure loading.
Non-compliance with Buyer/Legal Requirements	Not meeting buyer specs or regulatory laws (e.g., labelling, certifications)	Conducted pre-shipment inspections, performed lab testing, and verified all legal and buyer-specific criteria.

Risk Area	Risk Description	Mitigation Strategy
Currency Fluctuation and Payment Risks	Exchange rate losses or delayed/non-payments from buyers	Use forward exchange contracts and prefer secure payment terms like Letters of Credit (LC)
Production or Quality Delays	Delays from labour issues, equipment failure, or quality non-compliance	Include buffer time in schedules and maintain stringent quality control throughout the production process

Table 5.1.4: Key Risk Areas in Shipment Planning

Risk assessment is a vital part of shipment planning in apparel exports, and the export manager ensures that all potential issues, from production to delivery, are anticipated and managed effectively to ensure timely, safe, and compliant shipments.

5.1.6 SWOT Analysis of Shipment Operations

Effective shipment planning in the apparel export industry involves identifying and mitigating various risks that can disrupt the delivery schedule, damage goods, or affect regulatory compliance. Risk assessment ensures smoother export operations, cost control, and customer satisfaction.

Strengths	Weaknesses
India has established robust logistics networks at major ports such as Mumbai, Chennai, and Mundra, facilitating efficient export movement.	Exporters often depend heavily on third-party logistics providers and freight forwarders, which can reduce direct control over shipment execution.
Multiple modes of transportation—including sea, air, rail, and road—are readily available, offering flexibility in shipment planning.	There is limited availability of cold-chain or specialised handling infrastructure for premium or delicate garments requiring high-care logistics.
The industry benefits from a growing pool of skilled export managers and professionals who handle freight coordination and documentation effectively.	Small and medium-sized exporters may struggle with inconsistent documentation practices, leading to customs delays and compliance risks.
Government schemes like RoDTEP, EPCG, and TMA provide financial and operational support to apparel exporters.	Inland manufacturing units often face infrastructure challenges, causing delays in transporting goods to the port for export.

Opportunities	Threats
There is a rising global demand for Indian garments, particularly sustainable and ethically produced apparel, creating new export prospects.	Unpredictable global shipping rate fluctuations and container shortages can significantly increase shipment costs and delivery delays.
The expansion of digital logistics platforms allows for real-time tracking and more efficient management of export documentation.	Geopolitical tensions and international trade disruptions may interfere with shipping routes and customs clearance procedures.

Opportunities	Threats
The development of multimodal logistics parks and dedicated freight corridors in India will enhance shipment speed and efficiency.	Exporters face ongoing regulatory changes in destination countries, such as sustainability laws under the EU Green Deal, which require strict compliance.
India’s growing role as a sourcing hub due to the global shift toward the China+1 strategy strengthens its position in the apparel export market.	Rising global fuel prices contribute to increased freight surcharges, reducing overall cost-efficiency in export logistics.

Table 5.1.5: SWOT analysis

This SWOT analysis helps export managers and apparel exporters assess current operational capabilities and adapt strategies to optimise efficiency, reduce risks, and seize market opportunities.

UNIT 5.2: Logistics and Compliance Practices

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the influence of logistics factors on decision-making.
2. List the available logistics options for shipment.
3. Analyse the impact of trade policies on logistics operations.
4. Describe compliance procedures and quality standards in shipping.
5. Illustrate best practices for effective logistics and shipping management.
6. Outline guidelines for ensuring smooth shipment operations.
7. Discuss the implications of trade policies on shipping decisions.
8. Assess standards for quality and risk management in logistics.

5.2.1 Decision-Making in Logistics and Trade Context

In the Indian apparel export industry, particularly for stitched garments, decision-making in logistics and trade plays a crucial role in ensuring timely delivery, cost-efficiency, and compliance with buyer and regulatory requirements. Export managers must evaluate multiple factors to optimise the export supply chain and mitigate risks.

- **Mode of Transport Selection:** Exporters must choose between sea freight (cost-effective for large volumes), air freight (ideal for urgent or high-value shipments), or multimodal transport (a combination of road, rail, and sea). The decision depends on factors such as order size, delivery deadlines, garment type, and budget.
- **Shipment Volume Planning:** Choosing between Full Container Load (FCL) and Less than Container Load (LCL) depends on shipment size, cost per unit, and the need for cargo security. FCL is preferred for large, uniform consignments, while LCL suits smaller or mixed orders.
- **Export Documentation Strategy:** Accurate and timely preparation of documents such as Commercial Invoice, Packing List, Bill of Lading, Certificate of Origin, and inspection certificates is critical. Decisions must ensure legal compliance and smooth customs clearance in both exporting and importing countries.
- **Vendor and Partner Selection:** Selecting reliable freight forwarders, customs house agents (CHA), and third-party logistics (3PL) providers is a key decision to ensure quality service, transparency, and accountability in the shipping process.
- **Cost-Benefit Analysis:** Export managers must balance logistics costs (freight, handling, warehousing) with delivery performance. Strategic decisions often involve negotiating rates, optimising carton sizes, or consolidating shipments to reduce expenses without compromising delivery timelines.

Influence of Logistics Factors on Strategic Decisions

In the Indian apparel export industry, logistics is not just an operational concern; it is a strategic driver that directly affects profitability, customer satisfaction, and competitive advantage. Export managers and supply chain planners must consider key logistics factors that shape long-term and short-term business decisions.

- **Delivery Timeframes and Buyer Expectations:** The required delivery timeline significantly impacts decisions regarding mode of transport (air vs. sea), inventory planning, and production scheduling. For fast-fashion buyers or urgent re-orders, air freight may be strategically chosen despite higher costs to maintain buyer relationships and avoid penalties.
- **Freight and Handling Costs:** The cost of transportation, container charges, handling, warehousing, and port fees influences the selection of shipping routes, freight partners, and order consolidation strategies. Cost optimisation through bulk shipping or strategic port selection can improve margins and pricing competitiveness.
- **Infrastructure and Connectivity:** The quality of infrastructure, such as proximity to major ports (e.g., Mundra, Chennai, Nhava Sheva), availability of inland container depots (ICDs), and last-mile connectivity, determines the location of manufacturing units, supplier selection, and lead time management.
- **Customs and Regulatory Compliance:** Strategic decisions must ensure compliance with both Indian export regulations and the laws of the importing country. Delays in customs clearance due to non-compliance or documentation issues can lead to stockouts or cancellation of orders. Exporters often choose reliable CHA partners and invest in digitised documentation systems to reduce risks.
- **Inventory Management and Warehousing:** Logistics constraints influence whether exporters adopt just-in-time (JIT) or buffer-stock strategies. For distant markets or those with unpredictable demand, maintaining offshore warehouses or using third-country hubs might be a strategic decision.
- **Risk and Disruption Management:** The possibility of logistics disruptions due to strikes, natural disasters, political unrest, or port congestion pushes companies to build flexible and redundant supply chains. Strategic decisions may include developing alternative shipping routes, multiple logistics vendors, or dual sourcing.
- **Packaging and Product Handling Requirements:** Products that require special packaging (e.g., GOH for wrinkle-free garments or vacuum packing for basics) influence shipment mode and partner selection. Exporters may also invest in in-house packaging infrastructure to control quality and reduce dependency on external vendors.
- **Trade Agreements and Incentives:** Free trade agreements (FTAs), preferential duty structures, and export incentives influence the selection of target markets and shipping routes. Strategic decisions often align logistics planning with maximum incentive benefits and minimum tariff barriers.

Logistics factors critically shape strategic decisions across sourcing, production, export planning, and market entry. In the apparel export sector, a well-integrated logistics strategy is essential to deliver quality products on time, control costs, ensure compliance, and sustain global competitiveness.

Implications of Trade Policies on Shipping Choices

Trade policies, both domestic and international, have a direct and strategic influence on the choice of shipping methods, routes, timing, and cost planning for stitched garment exports. Exporters must adapt their logistics strategies to comply with and benefit from these policies.



Fig. 5.2.1: Implications of Trade Policies

Trade policies deeply affect shipping decisions by shaping cost structures, compliance needs, and market access strategies. Export managers must stay updated on policy changes to make informed choices regarding freight mode, routes, shipment timing, and export documentation.

5.2.2 Logistics and Shipping Options

In the Indian apparel export industry, efficient logistics and shipping strategies are vital to ensuring that stitched garments reach international buyers on time, in good condition, and at competitive costs. With rising global demand, exporters must carefully choose between various transportation modes such as sea, air, rail, and road based on factors like shipment size, urgency, destination, and buyer requirements. The complexity of international trade logistics also includes decisions around packaging, documentation, consolidation, and customs compliance. An optimised shipping plan not only reduces lead times and expenses but also strengthens the exporter's reliability and market reputation.

Available Logistics Modes for Shipment

Mode	Description	Use Case in Apparel Export	Export Manager's Role
Sea Freight	Cost-effective bulk transport via cargo ships; slower transit time	Preferred for large-volume, non-urgent orders (e.g., full seasonal collections)	Plan container bookings, optimise costs, and ensure timely port documentation
Air Freight	Fast, reliable transport via air cargo; higher cost	Used for urgent shipments, samples, or high-value fashion items	Arrange express clearances, select optimal carriers, and manage costs
Road Transport	Transport of goods by truck within the country to ports or airports	First-mile or last-mile delivery to logistics hubs or buyer warehouses	Coordinate with local carriers, monitor delivery status, and minimise damage
Rail Transport	Inland long-distance cargo movement via rail networks	Used for moving cargo to distant ports cost-effectively	Schedule freight trains, manage coordination with ICDs

Mode	Description	Use Case in Apparel Export	Export Manager's Role
Multimodal Transport	Combination of road, rail, sea, and/or air transport	Complex shipments involving multiple legs and destinations	Oversee logistics partners, streamline documentation across modes
Courier/Express Services	Specialised logistics for small parcels, samples, or urgent documents	Ideal for sending product samples, tech packs, or documents	Manage international courier partners and ensure fast customs clearance

Table 5.2.1: Available Logistics Modes

Selection Criteria Based on Product and Destination

When exporting stitched garments, choosing the right shipping and logistics method depends on multiple factors related to the nature of the product and the destination market. A well-informed selection ensures cost-efficiency, product safety, and on-time delivery. Below are the key criteria exporters consider:

- **Product Type and Value:** High-value or delicately stitched garments, such as designer wear or suits, are best shipped via air freight or GOH containers to ensure they arrive in pristine condition.
- **Shipment Volume:** Large-volume orders are shipped using Full Container Load (FCL), while smaller orders or shared consignments use Less than Container Load (LCL) for cost efficiency.
- **Destination Country/Region:** Shipping mode depends on geographic proximity and infrastructure, whether sea or air freight is used, based on urgency and the efficiency of destination port facilities.
- **Delivery Timelines:** Urgent orders requiring fast turnaround are sent via air freight or express services, while planned seasonal deliveries use sea freight for cost savings.
- **Packaging and Handling Requirements:** Garments requiring wrinkle-free delivery are packed using GOH or specialty methods, while standard folded garments are packed flat in cartons for sea shipping.
- **Buyer Preferences and Compliance Standards:** Buyers may mandate specific shipping modes, sustainable practices, or traceable logistics systems that directly influence the exporter's shipment decisions.

5.2.3 Impact of Trade Policies on Logistics Operations

Trade policies, including tariffs, quotas, trade agreements, and customs regulations, directly influence logistics operations by affecting the flow, cost, and speed of goods movement across borders. These policies can either facilitate smoother international trade or create barriers that slow down supply chains, increase costs, and complicate compliance. Logistics companies must adapt to these policies to remain efficient, competitive, and compliant with legal requirements.

Impact of Trade Policies on Logistics Operations:

- **Increased Compliance Requirements:** Companies must manage documentation, adhere to customs regulations, and stay updated on changing trade laws, increasing the administrative workload.
- **Higher Costs:** Tariffs and duties can raise the cost of imported/exported goods, affecting overall logistics budgets.

- **Delays in Shipment:** Complex customs procedures or sudden policy changes can lead to longer border clearance times.
- **Route and Supplier Adjustments:** Unfavourable trade policies may force businesses to change trade routes or source materials from different countries.
- **Inventory Management Challenges:** Fluctuations in lead times and import restrictions can lead to overstocking or stockouts.
- **Encouragement of Regional Trade:** Favourable agreements may encourage businesses to operate within specific trade zones to take advantage of reduced duties and faster processing.
- **Technology and Training Needs:** Logistics companies may need advanced tracking systems and trained staff to handle evolving compliance standards.

5.2.4 Compliance and Quality Standard in Shipping Operations

Ensuring compliance and maintaining quality in shipping operations is crucial for the success of apparel exports. From factory to final destination, every stage of the shipment process must adhere to regulatory, buyer-specific, and quality standards to prevent delays, penalties, or rejection of goods.

Compliance and quality in shipping operations are not just about ticking boxes—they directly affect the exporter's credibility, financial returns, and long-term buyer relationships. A proactive export manager ensures all legal, commercial, and quality expectations are met across the shipping process.

Compliance Procedures in International Shipping

Export Documentation Compliance

- **Commercial Invoice:** Must include product description, HS codes, value, buyer details, and Incoterms.
- **Packing List:** Lists contents, packaging type, weight, and dimensions for each carton.
- **Shipping Bill:** Generated through Indian Customs for export clearance.
- **Bill of Lading / Air Waybill:** Issued by the freight carrier; serves as a shipment receipt and transport contract.
- **Certificate of Origin:** Confirms the country where the goods were manufactured, often required for duty concessions under trade agreements.

Licensing and Regulatory Compliance

- **IEC Code:** Import Export Code is mandatory for all exporters.
- **RCMC:** Registration-Cum-Membership Certificate from an export promotion council (e.g., AEPC for apparel).
- **DGFT Regulations:** Follow all Directorate General of Foreign Trade guidelines, especially for restricted or incentivised items.

Product and Labelling Compliance

- **Fibre Content & Care Labels:** Must comply with the regulations of the destination country (e.g., US, EU, UK).

- **Country of Origin Labelling:** Mandatory for customs and end-consumer information.
- **Barcode/Price Tagging:** As per buyer specifications, required for retail readiness.

Quality and Certification Compliance

- **Testing Reports:** Lab tests for colourfastness, shrinkage, chemical content, etc., are often required.
- **AQL Inspection:** Apparel is inspected based on AQL levels (commonly AQL 2.5 or 1.5) before shipping.
- **Certifications:** Depending on buyer requirements—GOTS, OEKO-TEX, BSCI, SEDEX, etc.

Customs and Security Compliance

- **HS Code Classification:** The Correct Harmonised System code ensures proper duties and compliance.
- **Export Declaration:** Digital declaration filed via the Indian Customs EDI system (ICEGATE).
- **Security Seals and Container Checklists:** For sealed shipments, proper documentation of seal numbers and the loading process is essential.

Trade Agreement and Duty Compliance

- **FTA/Preferential Duty Documents:** Documents needed to claim reduced tariffs under Free Trade Agreements (e.g., India-UAE CEPA, SAFTA).
- **Import Regulations of Destination Country:** Comply with quotas, anti-dumping duties, and import bans where applicable.

Compliance procedures in international shipping form the backbone of reliable and lawful apparel exports. Each step, starting from documentation and labelling to inspection and trade regulation adherence, must be managed diligently by the export team to ensure timely and penalty-free delivery.

Adherence to Quality Standards and Regulations

For exporting purposes, the apparel industry operates within a regulated framework to ensure that stitched garments meet both domestic and international quality expectations. Compliance with these standards is essential to maintain buyer trust, minimise rejections, and uphold India's global reputation in garment manufacturing.

Category	Authority/Standard	Purpose/Role
Indian Regulatory Bodies and Standards		
	Bureau of Indian Standards (BIS)	Sets quality benchmarks for textiles such as strength, colourfastness, and shrinkage.
	Apparel Export Promotion Council (AEPC)	Issues RCMC, provides compliance guidance, and promotes export quality improvements.
	Directorate General of Foreign Trade (DGFT)	Issues IEC, governs export policy, and regulates restricted textile items.

Category	Authority/Standard	Purpose/Role
Export Quality Control and Inspection		
	Pre-shipment Inspection (PSI)	Ensures garment conformity through AQL-based random inspections (commonly AQL 1.5 or 2.5).
	Laboratory Testing	Tests for colourfastness, GSM, banned substances, and pH—essential for high-value or regulated markets.
	Self or Third-party Inspection	Quality certified by internal teams or agencies like SGS, Intertek, TÜV SÜD, BVQI.
Compliance with International Standards		
	GOTS (Global Organic Textile Standard)	Certifies the use of organic fibres and environmentally sound processing methods.
	OEKO-TEX Standard 100	Ensures textiles are free from harmful substances and safe for human use.
	ISO 9001	Sets global standards for quality management systems and process control.
	BSCI / SEDEX / WRAP	Certifies ethical labour practices and socially compliant workplaces.

Table 5.2.2: Adherence to Quality Standards and Regulations

Adherence to quality standards and regulations in India is both a legal necessity and a commercial advantage. Exporters who invest in compliance, certifications, and quality assurance not only avoid penalties but also gain long-term buyer confidence and access to premium global markets.

5.2.5 Best Practices and Operational Guidelines

To ensure efficient, timely, and compliant international shipments of stitched garments, Indian exporters must adhere to a set of industry best practices and operational guidelines. These practices help maintain quality, enhance buyer satisfaction, reduce costs, and minimise risks.

Effective Logistics and Shipping Management Techniques

Efficient logistics and shipping management are critical in ensuring timely, cost-effective, and damage-free delivery of stitched garments to international buyers. The following techniques help streamline operations, reduce risks, and boost export success.

Technique	Description
Integrated Supply Chain Planning	A unified logistics plan that integrates procurement, production, warehousing, and transportation ensures timely and cost-efficient deliveries.

Technique	Description
Vendor and Freight Forwarder Coordination	Working with reliable freight partners and negotiating long-term contracts helps streamline export processes and reduce delays.
Real-Time Shipment Tracking	GPS and RFID-enabled tracking systems allow exporters and buyers to monitor shipments and improve transparency.
Optimal Route and Mode Selection	Choosing the best route and transport mode based on product urgency and cost considerations reduces transit time and risks.
Inventory and Warehouse Optimisation	Efficient inventory practices and warehouse layouts help reduce holding costs and ensure quick dispatch of garments.
Effective Documentation and Compliance Handling	Accurate, timely documentation and awareness of legal requirements prevent customs issues and shipment delays.
Packaging Efficiency	Using standardised and suitable packaging methods protects garments and enhances container space usage.
Risk Mitigation and Insurance	Exporters should ensure shipments and maintain contingency plans to manage theft, damage, or transport disruptions.
Cost Control and Performance Analysis	Regular audits and performance tracking using logistics KPIs help identify inefficiencies and control shipping costs.
Continuous Improvement through Technology	Leveraging logistics software and emerging technologies enhances decision-making and automates repetitive tasks.

Table 5.2.3: Effective Logistics and Shipping Management Techniques

5.2.6 Guidelines to Ensure Smooth Shipment Operations

Effective Logistics and Shipping Management Techniques in the Indian apparel export industry involve optimising every step of the supply chain to ensure timely, cost-effective, and compliant delivery of stitched garments to international markets. Exporters must focus on strategic planning, coordination with logistics partners, technology adoption, and rigorous quality control to maintain competitiveness and buyer satisfaction. From integrated supply chain planning to real-time tracking and risk management, each aspect plays a critical role in minimising delays, reducing costs, and ensuring that shipments meet both commercial and regulatory requirements. The integrated guidelines for effective shipment operations are as follows:

- **Integrated Supply Chain Planning:** Coordinate all supply chain functions through ERP systems to align production with shipment schedules.
- **Freight Forwarder Selection:** Engage reliable and experienced freight partners through long-term contracts to ensure smooth export operations.
- **Real-Time Shipment Tracking:** Use GPS or RFID tracking systems to monitor shipments and share updates with buyers for transparency.
- **Strategic Transport Mode Selection:** Select air, sea, or multimodal transport based on product type, urgency, and destination.

- **Inventory and Warehouse Optimisation:** Implement lean inventory practices and organise warehouse layout for faster picking and loading.
- **Accurate Documentation Management:** Ensure timely preparation of all required export documents using digital systems or CHAs.
- **Efficient Packaging Practices:** Use suitable packaging methods (GOH, flat pack) and standard carton sizes to protect garments and maximise space.
- **Risk Assessment and Insurance:** Identify potential shipment risks and secure marine insurance with backup logistics plans.
- **Logistics Cost and Performance Monitoring:** Track costs and logistics KPIs like on-time delivery and freight efficiency for continual improvement.
- **Technology Integration for Efficiency:** Adopt logistics software and automation tools to streamline operations and enhance decision-making.

5.2.7 Implications of Trade Policies on Shipping Decisions

Trade policies significantly influence shipping decisions by affecting the cost, timing, and selection of transportation routes and modes. Factors such as tariffs, trade agreements, customs regulations, and import/export restrictions directly impact how, when, and where goods are shipped. Businesses must carefully consider these policies to optimise costs, reduce risks, and maintain efficiency in their shipping operations.

Impact of Trade Policies on Shipping Decisions:

- **Mode of Transport Selection:** Policies may encourage shifting from air to sea or land freight (or vice versa) based on cost and speed, influenced by regulations.
- **Routing Choices:** Companies may choose alternative shipping routes to avoid high-tariff regions or restricted zones.
- **Carrier and Port Preferences:** Businesses may favour ports or carriers that operate in regions with favourable trade agreements or faster customs processing.
- **Lead Time Adjustments:** Stricter customs or new policy changes may require longer lead times to account for delays.
- **Cost Planning:** Shipping costs can rise due to tariffs or fees, requiring more strategic budgeting and rate negotiation.
- **Shipping Volume Strategies:** Policies may lead businesses to consolidate shipments or increase frequency to manage costs and compliance risks.
- **Documentation and Regulatory Compliance:** Accurate documentation becomes critical, as errors can lead to shipment delays, fines, or rejections.

5.2.8 Risk and Quality Management in Logistics

In the Indian apparel industry, especially in the export of stitched garments, risk and quality management in logistics is crucial to maintain global competitiveness, ensure customer satisfaction, and comply with international standards.

India is one of the largest global exporters of stitched clothes, catering to a diverse range of foreign markets with fashion-forward, economically priced apparel. Logistics is essential in this fast-paced, quality-sensitive industry to guarantee that completed clothing reaches customers worldwide on

schedule, undamaged, and in complete conformity with legal and quality requirements. The export logistics chain, spanning from plant dispatch to delivery at overseas destinations, is riddled with dangers, including delays, product damage, and documentation problems, which can significantly impair buyer relationships and profitability.



Fig. 5.2.2: India is one of the largest global exporters of stitched clothes

An export manager coordinates production readiness, shipment schedules, documentation, and quality checks while mitigating logistical and regulatory risks. This document explores the key challenges, quality practices, and the export manager's role in ensuring risk-resilient and quality-driven logistics in the Indian apparel export industry.

Risk Assessment and Mitigation in Logistics



Fig. 5.2.3: Risk Management

In the export of stitched garments, risk assessment in logistics involves identifying, evaluating, and prioritising potential disruptions across the supply and delivery chain. Given the sensitivity of international apparel markets to delivery timelines, product quality, and compliance, a proactive approach to risk management is essential.

The first step is to systematically identify and categorise risks based on their potential impact and likelihood. Common logistics risks include:

Risk Category	Examples
Operational Risks	Production delays, labour strikes, and poor packing practices
Transportation Risks	Damage in transit, container shortages, and route disruptions
Compliance Risks	Incorrect documentation, violation of export/import regulations
Environmental Risks	Flooding, cyclones, and extreme temperatures during transit
Market & Political Risks	Policy changes, port strikes, trade restrictions, currency volatility

Table 5.2.4: Risk Assessment

Once identified, mitigation measures must be integrated across the logistics process:

Strategic Planning

- Build buffer time into shipping schedules to handle delays.

Quality Control at Dispatch

- Conduct final product inspections and ensure proper moisture-controlled packaging.

Real-Time Monitoring

- Utilize GPS tracking and logistics dashboards for shipment visibility.

Compliance Management

- Maintain up-to-date documentation and knowledge of export regulations.

Insurance and Contractual Safeguards

- Insure shipments against transit loss or damage.

Contingency Planning

- Develop alternate transport routes and backup vendors

Fig. 5.2.4: Risk Mitigation Strategies

Standards for Quality and Performance Monitoring

Maintaining consistent quality and reliable logistics performance is essential to meet international buyer expectations and sustain long-term partnerships. To achieve this, exporters must adhere to recognised quality standards and establish robust performance monitoring systems across the logistics chain. These standards not only ensure product integrity during transit but also help track delivery efficiency, packaging compliance, and documentation accuracy.

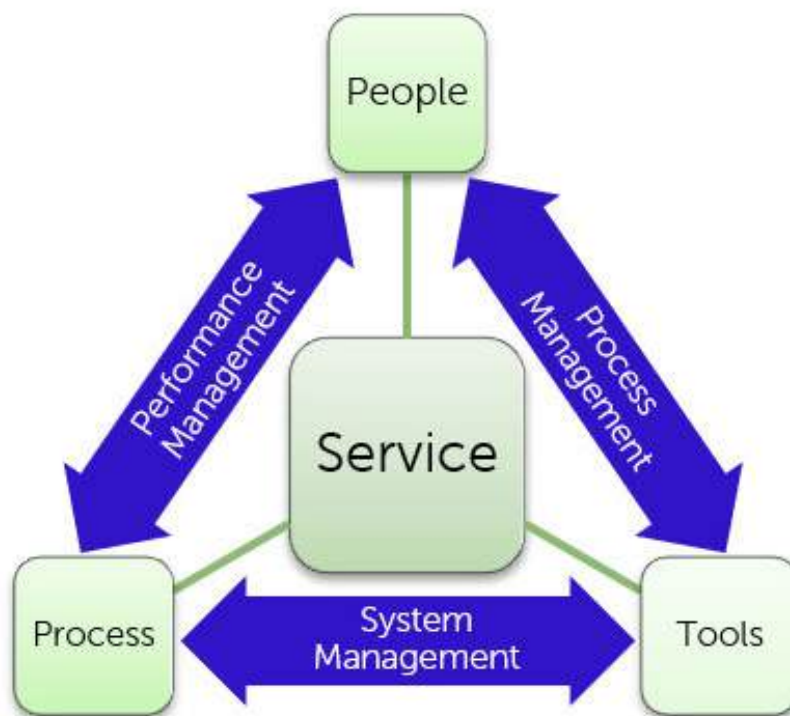


Fig. 5.2.5: Performance and Quality monitoring

1. AQL (Acceptable Quality Level) Standards

- Widely used for final product inspection before shipment.
- Ensures sampling and defect limits are within buyer-approved thresholds.

2. ISO 9001:2015 (Quality Management Systems)

- Provides a framework for consistent quality processes in logistics and documentation.
- Emphasises continuous improvement and customer satisfaction.

3. Packaging and Labelling Standards

- Compliance with buyer-specific and international labelling requirements (e.g., fibre content, country of origin).
- Use of standardised, moisture- and damage-resistant materials.

4. Standard Operating Procedures (SOPs)

- Defined SOPs for packing, loading, inspection, and documentation to minimise human error.
- SOPs are regularly reviewed and updated based on feedback and audits.

5. Performance Metrics and KPIs

- Key indicators include On-Time Delivery (OTD), Damage Rate, Documentation Accuracy Rate, and Customer Complaint Rate.
- Monitored monthly and used to assess logistics and vendor performance.

6. Third-Party Inspection and Certification

- Certified inspection agencies (e.g., SGS, Intertek) are used for pre-shipment audits.
- Verifies product conformity and packaging integrity.

7. Buyer-Specific Compliance Protocols

- Adherence to custom quality standards and compliance checklists from major buyers (e.g., H&M, Marks & Spencer).
- Includes social compliance, chemical safety, and product specs.

8. Traceability Systems

- Barcode and RFID tagging to track goods from the factory to the shipment point.
- Enhances transparency and enables quick identification of quality issues

9. Temperature and Humidity Control Standards

- Especially for delicate fabrics, the use of desiccants and container condition monitoring
- Prevents mildew, colour fading, or fabric degradation

Summary

- Shipment planning involves understanding trade policies, buyer requirements, and effective logistics strategies to ensure timely and efficient deliveries.
- Participants learn to classify various product and shipment types while aligning them with appropriate delivery dates and buyer specifications.
- Effective shipping strategies are developed through assessing logistics options and risk factors and aligning shipment operations with trade regulations.
- SWOT analysis is used to evaluate shipment strengths, weaknesses, opportunities, and threats, enhancing operational decision-making.
- Logistics and compliance practices focus on understanding how factors like trade policies and compliance standards influence shipping decisions.
- Emphasis is placed on following quality standards, risk management, and adopting best practices for smooth and compliant shipment operations.

Exercise

Multiple-choice Question:

1. What helps ensure timely and efficient deliveries in shipment planning?
 - a. Ignoring buyer requirements
 - b. Avoiding trade policies
 - c. Understanding trade policies and logistics
 - d. Focusing only on cost
2. Which method is used to analyse shipment operations?
 - a. SWOT analysis
 - b. FIFO method
 - c. Risk charting
 - d. Regression testing
3. What is essential for compliant shipping management?
 - a. Ignoring logistics options
 - b. Bypassing customs
 - c. Following compliance procedures
 - d. Avoiding documentation
4. What must be considered to meet buyer expectations?
 - a. Weather conditions only
 - b. Delivery dates and specifications
 - c. Employee salaries
 - d. Office locations
5. How do trade policies impact logistics operations?
 - a. They reduce product quality
 - b. They make shipments faster automatically
 - c. They influence decisions and procedures
 - d. They stop all international trade

Descriptive Questions:

1. Explain how trade policies influence shipment planning and logistics.
2. Describe the role of SWOT analysis in evaluating shipment operations.
3. What are the key factors to consider to ensure compliant and quality shipping?
4. Discuss the importance of identifying shipment types and aligning them with logistics options.
5. How do logistics decisions affect the overall effectiveness of shipping operations?

Notes

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Scan the QR codes or click on the link to watch the related videos



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Step by step export procedure india



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Risk Management



6. Shipping Compliance for Export Manager – Stitched Items Industry

Unit 6.1 - Shipping Processes and Compliance

Unit 6.2 - Packaging, Labelling, and Invoicing



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Describe the shipping compliance as per the guidelines provided for shipping the goods.
2. Explain the sequence of operations to be followed when sending the shipment.
3. Describe the sequence of the shipment.
4. Analyse the general invoicing instructions.
5. Describe the process of tendering freight to the consolidator.
6. Identify packing instructions to be followed, like carton specifications, packing standards, flat pack cargo, pre-packs packing standards, garments on hangers (GOH), shipping marks & labels, bar code labels.
7. Identify the shipping routing guidelines.
8. Identify the specifications of the garments to be shipped.

UNIT 6.1: Shipping Processes and Compliance

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain shipping compliance guidelines and standards.
2. Describe the sequence of operations for shipment dispatch.
3. Illustrate freight tendering procedures to consolidators.
4. Analyse shipping routing guidelines and instructions.

6.1.1 Shipping Compliance Guidelines and Standards

In the apparel export sector, shipping compliance involves following domestic and international regulations, buyer-specific requirements, and industry best practices to ensure that goods are shipped legally, efficiently, and without quality or documentation issues. Non-compliance can lead to shipment rejections, legal penalties, or strained buyer relationships.

1. Documentation Compliance

Guidelines

- Accurate preparation of shipping documents such as:
 - Commercial Invoice
 - Packing List
 - Bill of Lading (B/L)
 - Certificate of Origin (CoO)
 - Export Declaration Form (EDF)
 - Harmonised System (HS) code alignment
- Adherence to destination country documentation norms (e.g., EU VAT declarations)

Example: Shahi Exports Pvt. Ltd.

Shahi is India's largest apparel exporter. They use ERP systems to automate documentation and ensure every shipment complies with country-specific and buyer-specific requirements.



Fig. 6.1.1: Shahi Exports

2. Labelling and Packaging Compliance

Guidelines

- Clear labelling of boxes with buyer's code, PO number, SKU, and handling instructions.
- Use of standardised cartons and pallets as per buyer requirements.
- Compliance with eco-friendly and recyclable packaging standards, where applicable.

Example: Gokaldas Exports Ltd.

A major Bengaluru-based exporter, Gokaldas, adheres to labelling requirements set by brands like GAP and Nike. They also follow sustainable packaging norms aligned with global retailer policies.



Fig. 6.1.2: Gokaldas Exports Logo

3. Regulatory Compliance (DGFT, Customs, GST)

Guidelines

- Registration with the Directorate General of Foreign Trade (DGFT) and maintenance of Importer Exporter Code (IEC).
- GST e-invoicing and shipping bill filing via ICEGATE (Indian Customs portal).
- Correct application of export benefits (RoDTEP, RoSCTL).

Example: Pearl Global Industries Ltd.

Pearl Global ensures full DGFT and GST compliance and uses ICEGATE for digital filing. They actively claim government export incentives under the correct schemes.



Fig. 6.1.3: Pearl Global Logo

4. Product and Safety Compliance

Guidelines:

- Compliance with destination country laws (e.g., CPSIA for the USA, REACH for Europe).
- No use of banned chemicals, heavy metals, or unsafe dyes.
- Clear size, content, and care labels as per buyer/country standards.

Example: Arvind Ltd. (Apparel Division)

Known for its denim and knitwear exports, Arvind follows strict REACH and OEKO-TEX standards to maintain compliance with European markets.



Fig. 6.1.4: Arvind Ltd.

5. Incoterms and Shipping Terms Compliance

Guidelines:

- Proper understanding and implementation of Incoterms (e.g., FOB, CIF, DDP).
- Clearly defined responsibility for freight, insurance, and customs duties.
- Compliance with agreed lead times and delivery windows.

Example: KPR Mill Ltd.

KPR handles both FOB and CIF exports and works closely with logistics partners to ensure delivery terms are met as per Incoterm contracts with brands in Europe and the U.S.



Fig. 6.1.5: KPR Mill

6. Buyer-Specific Compliance Audits

Guidelines:

- Fulfilment of brand-specific logistics protocols, including approved freight forwarders and booking systems.
- Participation in pre-shipment audits by buyers or third parties (SGS, BV, Intertek).

Example: Eastman Exports Global Clothing Pvt. Ltd.

They cater to brands like H&M and Primark, passing regular logistics and compliance audits required by these brands before dispatch.



Fig. 6.1.6: Eastman Exports

7. Digital Compliance and Trackability

Guidelines:

- Integration of TMS (Transport Management Systems) or SCM software.
- Real-time shipment tracking and digital proof of delivery (POD).

Example: Texport Industries Pvt. Ltd.

Uses integrated ERP and logistics software to ensure end-to-end traceability from factory to port, reducing errors and improving compliance transparency.



Fig. 6.1.7: Texport Industries

6.1.2 Sequence of Operations for Shipment Dispatch

The shipment dispatch process is a critical final stage in the apparel export cycle, where finished garments are prepared, documented, and handed over for international delivery. A systematic and well-coordinated sequence ensures that products are shipped accurately, on time, and in compliance with buyer and regulatory requirements. This section outlines the standard steps followed by Indian apparel exporters to manage shipment dispatch efficiently and error-free.



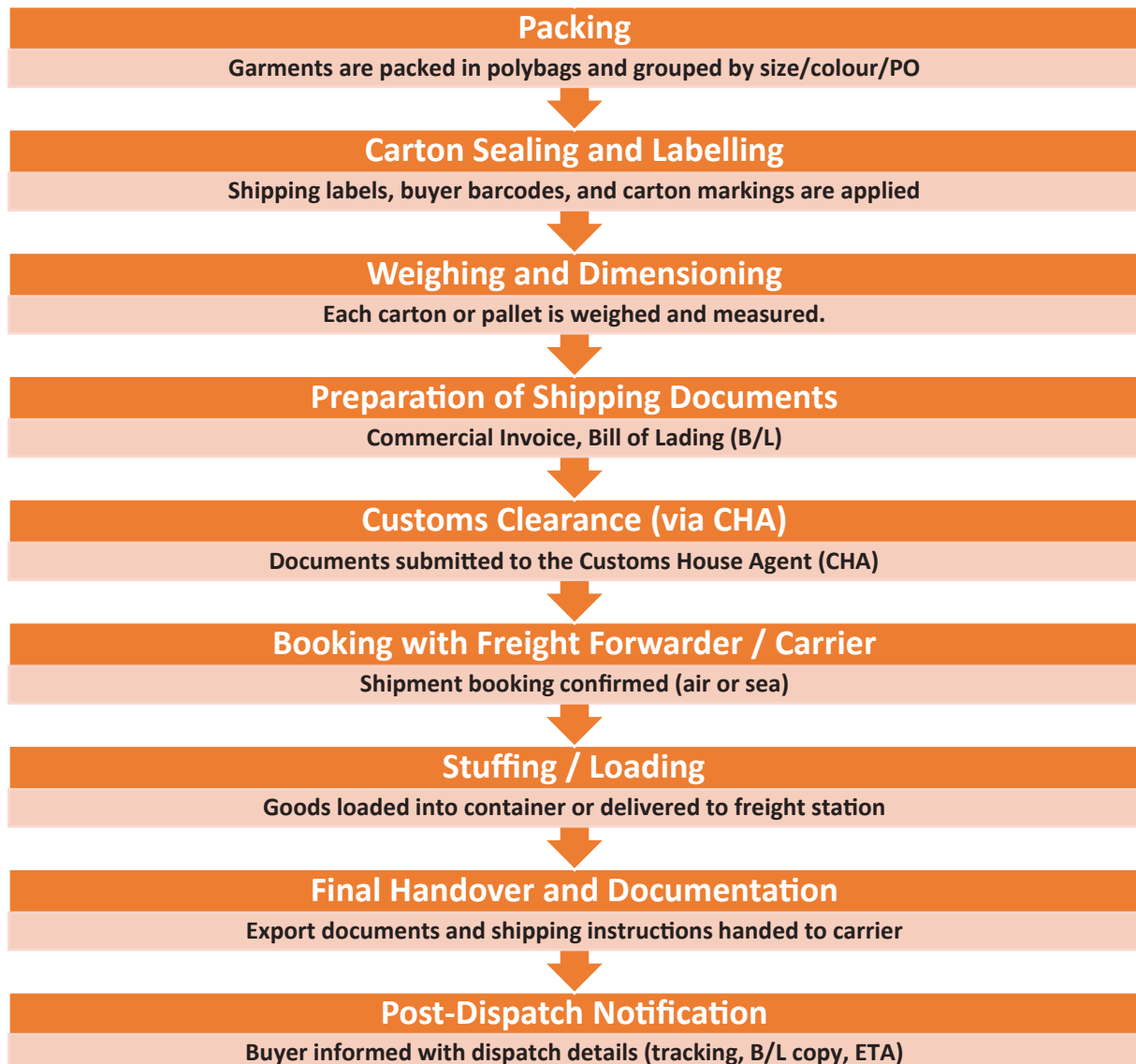


Fig. 6.1.8: Sequence of Operations for Shipment Dispatch

6.1.3 Freight Tendering Procedures to Consolidators

Freight tendering to consolidators is the process through which apparel exporters or their logistics teams invite bids and allocate freight forwarding jobs to third-party logistics providers (3PLs) or consolidators. This ensures cost-efficiency, capacity assurance, and adherence to buyer shipping requirements, especially when exporting Full Container Loads (FCL) or Less than Container Loads (LCL).

Shipment Planning and Forecasting

- Estimation of shipment volume, weight, destination, and timelines

Preparation of Tender/RFQ

- Drafting RFQ with details like Pickup point and destination, Volume/weight estimates

Inviting Quotes from Consolidators

- Sending the RFQ to multiple registered freight forwarders/consolidators

Evaluation of Bids

- Comparison based on Freight rates, Transit time, Route efficiency

Selection and Negotiation

- Shortlisting of the most suitable consolidator

Awarding the Contract

- Issuance of a formal freight award letter or contract

Shipment Handover and Coordination

- Final documentation and carton dispatch aligned with consolidator's cut-off schedules

Post-Shipment Review

- Monitoring delivery timelines, service quality, and issue resolution

Fig. 6.1.9: Key Steps in Freight Tendering

Example: Eastman Exports, a leading garment exporter based in Tiruppur, Tamil Nadu, regularly ships to large international brands such as Primark, C&A, and H&M. Given the high frequency of shipments and strict delivery timelines, they rely on freight tendering to consolidators to streamline costs and ensure carrier reliability.



Fig. 6.1.10: Eastman Exports

6.1.4 Shipping Routing Guidelines and Instructions

Shipping routing guidelines refer to the set of instructions provided by buyers or internal logistics teams that define how goods should be shipped from the exporter to the final destination. These instructions ensure consistency, cost control, and compliance with buyer or brand-specific logistics protocols.

1. Mode of Shipment

- Specifies whether shipment should be by sea (FCL/LCL), air, or multimodal.
- Often dictated by urgency, value, and volume of garments.

2. Nominated Forwarders and Consolidators

- Many global buyers (e.g., H&M, Walmart, Zara) require exporters to use nominated freight forwarders.
- The exporter must book with the assigned consolidator to ensure visibility and control.

3. Port of Loading and Destination

- Guidelines specify the origin port (e.g., Chennai, Mumbai, Tuticorin) and the destination port/warehouse.
- Important for customs clearance and routing efficiency.

4. Cut-off Dates and Booking Windows

- Defined timelines for factory dispatch, warehouse receiving, and vessel/flight departure.
- Missing these can lead to air freight upgrades at the exporter's cost.

5. Labelling and Documentation Format

- Standardised labelling on cartons with PO numbers, SKU codes, and barcodes.
- Documentation (invoice, packing list, B/L) format is often provided by the buyer.

6. Preferred Shipping Lines or Carriers

- Buyers may instruct the use of specific carriers (e.g., Maersk, CMA CGM, FedEx) based on contracts and reliability.

7. Container Utilisation and Stuffing Instructions

- For FCL shipments: container stuffing pattern, carton stacking method, and moisture control measures.
- Often includes instructions on how to use desiccants, air vents, or corner boards.

8. EDI or Shipment Tracking Requirements

- Digital upload of shipment data to the buyer's logistics system.
- Often includes real-time visibility via platforms like GT Nexus or Infor Nexus.

9. Incoterm-Based Responsibility Division

- Incoterms like FOB, CIF, or DDP define who handles freight, insurance, and customs at each point.
- Exporters must act in accordance with the agreed Incoterms to avoid disputes.

10. Deviation Penalties

- Non-adherence to routing guides may result in chargebacks, lost incentives, or shipment rejections.

UNIT 6.2: Packaging, Labelling, and Invoicing

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain packing instructions and carton specifications.
2. Describe pre-packs and garments on hangers (GOH) standards.
3. Illustrate the use of shipping marks, labels, and barcodes.
4. Discuss general invoicing instructions and requirements.

6.2.1 Packing Instructions and Carton Specifications

Proper packing is essential in the Indian apparel export industry to protect garments during transit, meet buyer expectations, and ensure smooth customs and warehouse operations at the destination. Each buyer usually provides specific packing instructions and carton specifications that must be followed strictly to avoid shipment rejections, penalties, or delays.

Category	Specification Details
Garment Folding & Polybag Packing 	• Fold per buyer specs (e.g., centre fold, collar up) • LDPE polybags, recyclable, 50–60 microns. • Stickers/barcodes/warning labels required
Ratio or Solid Packing 	• Solid Packing: Same size & colour per polybag/ carton • Ratio Packing: Mixed sizes/colours as per buyer's ratio (e.g., 2S:3M:3L:2XL)

Category	Specification Details
Inner & Master Carton Packing 	• Inner Carton: Optional; for delicate items • Master Carton: 5 or 7-ply corrugated board • Buyer-specified size (e.g., 60x40x30 cm) - Max weight: 20–25 kg
Carton Labelling 	• Buyer name, PO no., style, size, colour, carton count (e.g., 1 of 20) • Barcode: UCC/EAN-128/QR • Labels on top & side - RFID tags if required
Carton Sealing 	• Sealed with adhesive tape or staples • Tamper-evident tape recommended. Some buyers specify tape colour/type.
Carton Palletization 	• For air/high-volume exports • Use ISPM-15 heat-treated wooden pallets • Shrink-wrapped & strapped

Category	Specification Details
Moisture & Damage Prevention 	• Use silica gel or desiccant pouches. • Reinforce carton corners • Waterproof liners during the monsoon season

Table 6.2.1: Packing Instructions and Carton Specifications

6.2.2 Pre-Packs and Garments on Hangers (GOH) Standards

In international apparel exports, especially to organised retail buyers, Pre-packs and Garments on Hangers (GOH) are special packing methods used to meet retail readiness and supply chain efficiency. These are often buyer-mandated and must comply with strict guidelines to ensure proper shelf presentation and minimal handling at the retail end.

Pre-packs refer to groupings of garments packed in predefined size/colour ratios in a single polybag or carton, ready for direct store delivery.

Category	Specification Details
Element	Standard Details
Purpose	To simplify sorting and store-level distribution
Composition	Mixed sizes or colours in buyer-defined ratios (e.g., 1S:2M:2L:1XL)
Polybag Labelling	Pre-pack ratio, PO number, size set, colour, and barcode
Carton Contents	Clearly labelled "Pre-Pack" with full breakdown of contents on the carton label.
Tracking	RFID or scanable barcode for inventory management
Buyer Examples	Walmart, Target, Decathlon, C&A

Table 6.2.2: Common Requirements

On the other hand, GOH refers to garments shipped on hangers, typically in specially designed containers, to avoid creasing and enable direct transfer to retail racks.

Element	Standard Details
Container Type	Modified GOH containers with hanging bars or rails
Garment Type	Used for formal wear, suits, dresses, or wrinkle-sensitive fabrics
Hanger Specifications	Buyer-specified hangers (plastic, velvet-coated, or recyclable) with branding/logo

Element	Standard Details
Covering	Each garment is covered with a polybag or fabric dust cover.
Labelling	Hang tags, size strips, and barcode stickers on each hanger.
Container Loading	Packed to avoid overlap or swinging during transit; hangers tied securely.
Buyer Examples	Zara, Marks & Spencer, Nordstrom

Table 6.2.3: Common Requirements

Pre-packs and Garments on Hangers (GOH) are special packing methods used in international apparel exports to meet retail readiness and supply chain efficiency. Pre-packs are groupings of garments packed in predefined size/colour ratios in a single polybag or carton, ready for direct store delivery. GOH, on the other hand, is garments shipped on hangers, typically in specially designed containers, to avoid creasing and enable direct transfer to retail racks. Examples of these methods include Walmart, Target, Decathlon, and C&A.

6.2.3 Use of Shipping Marks, Labels, and Barcodes

Shipping marks, labels, and barcodes are critical components of apparel export logistics. They ensure smooth identification, tracking, and compliance throughout the global supply chain, from the exporter's warehouse in India to the retailer's distribution centre abroad.

Shipping marks are visual identifiers printed or stencilled on export cartons to convey essential shipment details. The purpose of the shipping marks is the quick identification at ports, warehouses, and distribution centres and the reduction of sorting errors and misrouting.

Field	Example
Buyer's Name	H&M, Walmart
Purchase Order (PO) No.	PO# 45321
Style No.	Style # TX578
Size and Colour	Size: L / Colour: Navy
Carton Number	Carton 5 of 25
Country of Origin	Made in India
Gross/Net Weight	GW: 21.5 kg / NW: 20.0 kg

Table 6.2.4: Common Elements

Types of Labels are as follows:

- **Carton Labels:** Placed on two sides and the top of each carton
- **Inner Carton Labels (if used)**
- **Polybag Labels:** Indicating SKU, size, price tag, and warning messages
- **Hang Tags:** For retail display, often with barcodes and branding
- **RFID Tags** (buyer-dependent)

The basic requirements are as follows:

- Font size, label size, and placement as per buyer guidelines
- Waterproof or tamper-proof adhesive when required
- High-contrast printing for easy barcode scanning

Barcodes are used to track products through automation, inventory management, and retail shelf readiness.

Barcode Type	Use Case
EAN-13/UPC-A	Product-level retail barcodes
UCC/EAN-128	Shipping label barcodes (carton-level)
QR Codes	Smart tracking and product info access
RFID Tags	For buyers requiring digital inventory systems

Table 6.2.5: Types Used in Apparel Export

6.2.4 General Invoicing Instructions and Requirements

Invoicing is a crucial step in the export process. A well-prepared commercial invoice ensures smooth customs clearance, proper payment processing, and compliance with both Indian export regulations and buyer/importing country requirements.

Field	Description
Exporter's Details	Name, address, IEC (Import Export Code), GSTIN (if applicable)
Buyer's Details	Name, address, and country of the buyer/importer
Invoice Number & Date	Unique invoice number with date of issue
Purchase Order (PO) No.	Reference to the buyer's order
Description of Goods	Style no, fabric type, colour, size, quantity, unit price, total value
HS Code	Harmonised System code for the product category
Currency	USD, EUR, GBP, etc., as per the sales contract
Total FOB/CIF Value	Based on Incoterm used (Free on Board, Cost Insurance Freight, etc.)
Terms of Payment	E.g., 30 days after shipment, LC, advance payment
Country of Origin	Typically "Made in India"
Signature and Seal	Authorised signatory with the exporter's company stamp

Table 6.2.6: Commercial Invoice Components

Supporting Documentation (Submitted Along with Invoice) is as follows:

- **Packing List:** A detailed packing list must be included, showing the carton-wise breakdown of quantities, sizes, styles, and weights of the garments being shipped.
- **Shipping Bill:** The shipping bill is a mandatory document for customs clearance in India and must be filed electronically with the Directorate General of Foreign Trade (DGFT) through the ICEGATE portal.
- **Bill of Lading / Air Waybill:** A bill of lading (for sea shipments) or air waybill (for air shipments) serves as proof of shipment and must be issued by the freight forwarder or carrier, indicating the consignee, vessel/flight details, and port of discharge.
- **Certificate of Origin:** This certificate is required in certain cases to verify the country of manufacture (India), especially when exporting under preferential trade agreements such as those under the FTA or GSP schemes.
- **Inspection Certificate / Buyer QC Report:** If the buyer demands third-party inspection or in-house quality control verification, a signed inspection certificate or QC report must accompany the invoice to confirm that the goods meet agreed quality standards.
- **Letter of Credit (if applicable):** When the payment method involves a letter of credit, a copy of the LC must be provided, and all invoice details must strictly conform to the LC terms to avoid payment delays.

Regulatory Requirements in India are listed below:

- **GST Compliance:** The invoice must comply with India's Goods and Services Tax (GST) laws, especially if any domestic services (like inland freight or warehousing) are charged prior to export.
- **IEC Code and AD Bank Details:** The exporter's Import Export Code (IEC) and Authorised Dealer (AD) bank details must be clearly mentioned on the invoice to facilitate foreign currency remittance and reporting under FEMA guidelines.
- **Consistency with Shipping Bill:** The total declared value of the goods on the invoice must exactly match the value declared on the shipping bill submitted to Indian Customs.
- **Digital Signature or Company Stamp:** To validate authenticity, the invoice must be signed by an authorised representative of the exporter and bear the official company stamp or digital signature if submitted electronically.

Summary

- Participants will understand key shipping compliance guidelines, ensuring shipments meet legal and regulatory standards.
- They will learn the proper sequence of operations involved in dispatching shipments efficiently.
- Freight tendering procedures to consolidators will be clearly illustrated to ensure smooth handovers.
- Participants will be able to analyse and follow correct shipping routing instructions to optimise delivery.
- The module covers detailed packing instructions, carton specifications, and standards for pre-packs and GOH.
- Learners will also be able to identify and apply proper shipping marks, barcodes, and labelling methods, as well as understand invoicing procedures.

Exercise

Multiple-choice Question:

1. What do shipping compliance guidelines ensure?

a. Delayed shipment arrival	b. Legal and regulatory conformity
c. Warehouse space optimisation	d. Customer satisfaction surveys

2. What is the first step in the shipment dispatch sequence?

a. Packaging	b. Labelling
c. Planning and preparation	d. Invoicing

3. What is freight tendering mainly concerned with?

a. Barcode printing	b. Sending shipments to consolidators
c. Placing labels	d. Quality testing

4. What do shipping routing instructions help with?

a. Increasing packaging cost	b. Delaying delivery
c. Ensuring the correct delivery path	d. Avoiding invoice creation

5. What is the purpose of using barcodes and labels on cartons?

a. Decoration	b. Cost calculation
c. Easy identification and tracking	d. Increase shipping weight

Descriptive Questions:

1. Explain the importance of following shipping compliance standards.
2. Describe the sequence of steps involved in shipment dispatch.
3. What is freight tendering, and why is it important in the shipping process?
4. List the specifications to be considered when packing cartons.
5. Discuss the role of shipping marks, labels, and barcodes in shipment tracking.

Notes

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Compliance Certificates in Apparel Industry



https://youtu.be/YeM7oeSsm2A?si=Ww-Biii_3j8vfgG9

What is Private Labeling ?

7. Carry Out Process for Export Manager – Stitched Items a Product



Unit 7.1 - Export Transactions and Financial Framework

Unit 7.2 - Documentation and Sales Contracts



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Explain formalities and documentation related to Export Manager – Stitched Items transactions.
2. Describe credit processes in Export Manager – Stitched Items operations.
3. Analyse foreign exchange risk management strategies.
4. Explain international commercial terms and their implications.
5. Illustrate central excise and customs clearance regulations, procedures, and documentation.
6. Identify financing methods and terms of payment in Export Manager – Stitched Items.
7. Assess the components and structure of an Export Manager – Stitched Items sales contract.
8. Discuss and verify Export Manager – Stitched Items documents, including invoices, shipping bills, and certificates.
9. Evaluate the accuracy and compliance of Export Manager – Stitched Items documentation.

UNIT 7.1: Export Transactions and Financial Framework

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain export transaction formalities and required documentation.
2. Discuss credit and financing methods used in export operations.
3. Analyse strategies for managing foreign exchange risks.
4. Illustrate the applications of international commercial terms.
5. Describe central excise and customs clearance procedures.

7.1.1 Export Transaction Formalities and Required Documentation

The Indian garment industry is a significant source of export revenue for the nation and is essential to the international fashion and textile markets. Exporters must effectively negotiate a complicated web of paperwork, compliance requirements, and formalities in order to ship clothing to buyers abroad. Every export transaction involves meticulous preparation, precise legal documentation, and prompt coordination, from receiving an order to delivering the product and getting paid. The Export Manager is a key player in this process, managing all areas of logistics, regulations, and communication to guarantee lucrative and seamless international trading. Any clothing exporter hoping to be successful in the worldwide market must comprehend the export transaction cycle and the important paperwork involved.

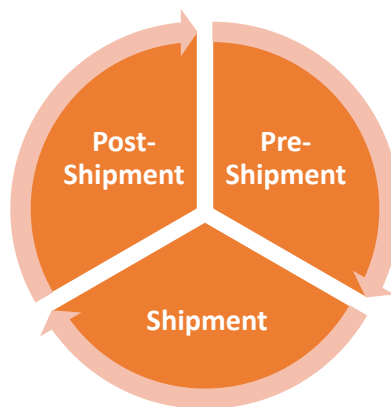


Fig. 7.1.1: Steps in Export Transaction Formalities

Stage	Document	Purpose
Pre-shipment	Proforma Invoice	Buyer approval
	Purchase Order (PO)	Official confirmation of the order
	Export Contract	Legal terms and obligations
Shipment	Commercial Invoice	Final sale value declaration
	Packing List	Details of items, quantity, and packaging

Stage	Document	Purpose
	Shipping Bill	Customs clearance
	Bill of Lading / Airway Bill	Proof of shipment
	Certificate of Origin	Proves the origin of goods for import duty purposes
	Inspection Certificate	Quality confirmation (if applicable)
Post-shipment	Bank Realisation Certificate (BRC)	Confirms receipt of payment in foreign currency
	Export Invoice	Required for bank and tax purposes
	GSP Certificate	For availing tariff benefits in specific countries

Table 7.1.1: Required Documentation in Export

Key Responsibilities of the Export Manager in the Apparel industry are as follows:

- Liaison with production, merchandising, and logistics teams to ensure timely order fulfilment
- Ensure accurate and timely preparation of all shipping, customs, and financial documents. Serve as the main point of contact for buyers for order status, clarifications, and after-sales support.
- Coordinate with freight forwarders, CHA (Customs House Agents), and logistics partners for shipment scheduling and tracking.
- Ensure adherence to export laws, buyer compliance norms, and industry standards.

7.1.2 Credit and Financing Methods in Export Operations

Exporting frequently entails large financial outlays, protracted transaction times, and international dangers. There are a number of credit and finance options available to help exporters manage cash flow and reduce financial uncertainty, particularly in sectors like garments, where manufacturing and shipping expenses are high. Despite economic and geographic obstacles, these strategies assist exporters in meeting orders, staying competitive, and guaranteeing on-time payments. In order to maintain and grow international trade, instruments such as buyers' credit, export credit insurance, letters of credit, and pre- and post-shipment financing are essential. Exporters must have a thorough awareness of various financing options in order to control risk and preserve operational effectiveness in international marketplaces.

Method	Purpose	Offered/Issued By	Key Features	Repayment/ Benefits
Pre-shipment Finance (Packing Credit)	Working capital before goods are shipped	Banks (authorised by the RBI)	Given in INR (PCIR) or foreign currency (PCFC); used for materials, labour, and packaging.	Repaid from export bill proceeds or post-shipment finance

Method	Purpose	Offered/Issued By	Key Features	Repayment/ Benefits
Post-Shipment Finance	Bridge the gap between shipment and the buyer's payment	Banks	Includes bill discounting, LC negotiation, and advance on collection bills	Repaid when the exporter receives the buyer's payment
Letter of Credit (LC)	Secure payment mechanism through the importer's bank	Importer's Bank	Guarantees payment on fulfilment of terms; reduces default risk	Triggers payment to the exporter after document verification
Export Credit Insurance (ECGC)	Protect against the buyer's default due to political or commercial risks	ECGC (Govt. of India)	Standard & shipment-specific policies, often required by banks	Indemnifies loss; boosts exporter and bank confidence
Buyer's Credit & Supplier's Credit	Offer financial flexibility to overseas buyers	Indian banks/ financial institutions/ exporters	Buyer's Credit: Loan to buyer; Supplier's Credit: Credit given by exporter with risk coverage	Facilitates payment; supports competitiveness
Duty Drawback & Export Incentives	Refund of taxes/duties on exported goods	DGFT, Customs	Indirect benefit: improves liquidity; can be pledged as collateral	Helps in working capital post-export

Table 7.1.2: Credit and Financing Methods in Export Operations

7.1.3 Strategies for Managing Foreign Exchange Risks

Foreign exchange (forex) risk arises due to fluctuations in currency exchange rates between the time an export order is confirmed and the time payment is received. Effective forex risk management is crucial for exporters to protect their profit margins and ensure financial stability. Strategies for managing foreign exchange risks are as follows:

- 1. Forward Contracts:** Exporters can enter into forward contracts with banks, which allow them to lock in a specific exchange rate for a future date. This helps secure their expected revenue in Indian rupees (INR), even if the actual payment from the foreign buyer is received several months later, thereby minimising the impact of currency fluctuations.
- 2. Currency Options:** Currency options give exporters the right, but not the obligation, to buy or sell foreign currency at a pre-determined exchange rate before a specified expiration date. This strategy provides protection against unfavourable exchange rate movements while allowing exporters to benefit if the market moves in their favour.

3. **Hedging through Export Credit in Foreign Currency:** Banks often offer pre-shipment and post-shipment export credit in foreign currencies, such as USD or EUR. By availing these credit facilities, exporters can reduce their exposure to exchange rate fluctuations since they do not need to convert foreign currency into INR until the final payment is received.
4. **Invoicing in Indian Rupees:** Exporters may negotiate contracts where foreign buyers agree to pay in Indian Rupees. While this completely eliminates the foreign exchange risk for the exporter, it may reduce the appeal of the deal for the buyer, as they would then assume the exchange rate risk.
5. **Natural Hedging:** Exporters who also have foreign currency outflows, such as for importing raw materials or paying for overseas services, can match these with their foreign currency inflows. This strategy, known as natural hedging, helps balance currency exposure without involving financial instruments.
6. **Regular Monitoring and Consultation:** Actively monitoring foreign exchange markets and consulting with forex advisors or relationship managers at banks can help exporters make informed decisions. Timely action based on market trends ensures proactive management of currency risk rather than reacting to losses after they occur.

7.1.4 Applications of International Commercial Terms

International Commercial Terms (Incoterms) are standardised trade terms published by the International Chamber of Commerce (ICC). They define the responsibilities of buyers and sellers in international transactions, especially concerning the delivery of goods, risk transfer, cost sharing, and documentation.

- **Clarifying Responsibilities in Export Transactions:** Incoterms clearly specify who (buyer or seller) is responsible for each stage of the delivery process, including transportation, insurance, customs duties, and documentation. For example, under FOB (Free on Board), the seller is responsible until the goods are loaded onto the shipping vessel, after which the buyer assumes responsibility.
- **Cost Allocation:** Each Incoterm defines which party bears the cost of transportation, loading/unloading, insurance, and duties. In the apparel industry, where cost margins are tight, using the correct Incoterm helps avoid disputes and unexpected expenses. For example, under CIF (Cost, Insurance, and Freight), the seller covers the cost and insurance up to the buyer's port, helping buyers budget accurately.
- **Risk Transfer:** Incoterms determine the point at which the risk of loss or damage to the goods shifts from seller to buyer. For instance, in EXW (Ex Works), the risk transfers at the seller's premises, while in DAP (Delivered at Place), the seller bears risk up to the buyer's specified destination.
- **Compliance with International Practices:** Using standardized Incoterms ensures that both parties — especially from different countries, understand their roles and obligations. It eliminates ambiguity and aligns with globally recognised trade practices, which is crucial in complex international apparel shipments.
- **Impact on Documentation and Legal Obligations:** Incoterms influence the type of documents the exporter must provide (like the Bill of Lading, Insurance Certificate, or Export License). Certain Incoterms also require sellers to clear goods for export and buyers to clear goods for import, ensuring legal and regulatory compliance.
- **Supporting Logistics and Supply Chain Planning:** Correctly chosen Incoterms help plan production timelines, shipping dates, and warehouse management. For example, DDP (Delivered Duty Paid) requires the seller to deliver goods to the buyer's location with all import duties paid, making it attractive for buyers unfamiliar with customs procedures.

7.1.5 Central Excise and Customs Clearance Procedures

Central excise and customs clearance procedures involve the formalities and documentation needed for the legal movement of goods across borders or from manufacturing units. Central excise deals with the duties levied on goods manufactured within the country, while customs clearance refers to the regulation and documentation required for importing and exporting goods. These procedures ensure compliance with tax laws, prevent illegal trade, and facilitate the smooth movement of goods through proper channels.

The following is the description of clearance procedures:

- **Central Excise Procedures:**
 - Manufacturers must register with the Central Excise Department if they produce excisable goods.
 - Duty is calculated based on the assessable value or quantity of goods.
 - Goods must be accompanied by proper excise invoices during transport.
 - Monthly or quarterly returns must be filed detailing production and duty payments.
 - Exemptions and rebates may apply for certain goods or export-bound items.
- **Customs Clearance Procedures:**
 - Importers and exporters must obtain an Import Export Code (IEC) from the Director General of Foreign Trade (DGFT).
 - Filing of Bill of Entry (for imports) or Shipping Bill (for exports) is mandatory.
 - Customs authorities verify documentation, inspect goods, and assess duties.
 - Payment of customs duty (if applicable) is required before goods are released.
 - Once cleared, the customs authority issues a clearance certificate for release or shipment.

UNIT 7.2: Documentation and Sales Contracts

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the components and structure of export sales contracts
2. Describe the terms of payment in export deals
3. List the essential documentation for export orders
4. Illustrate the purpose and content of key documents such as a Proforma invoice, purchase order, commercial invoice, and packing list.
5. Analyse shipping and transport documents: shipping bill, bill of lading, and airway bill
6. Discuss the role of financial and legal documents: bill of exchange, bank realisation certificate, and letter of credit.
7. Assess the importance of the Certificate of Origin and Documents Against Acceptance.
8. Verify the accuracy and completeness of export documents
9. Ensure compliance with export documentation standards

7.2.1 Components and Structure of Export Sales Contracts

An export sales contract is a legal agreement between a buyer and a seller for the sale of goods across international borders. It outlines the terms and conditions under which the goods will be exported, delivered, and paid for. A well-structured export sale contract minimises misunderstandings, ensures legal protection for both parties, and clarifies responsibilities.

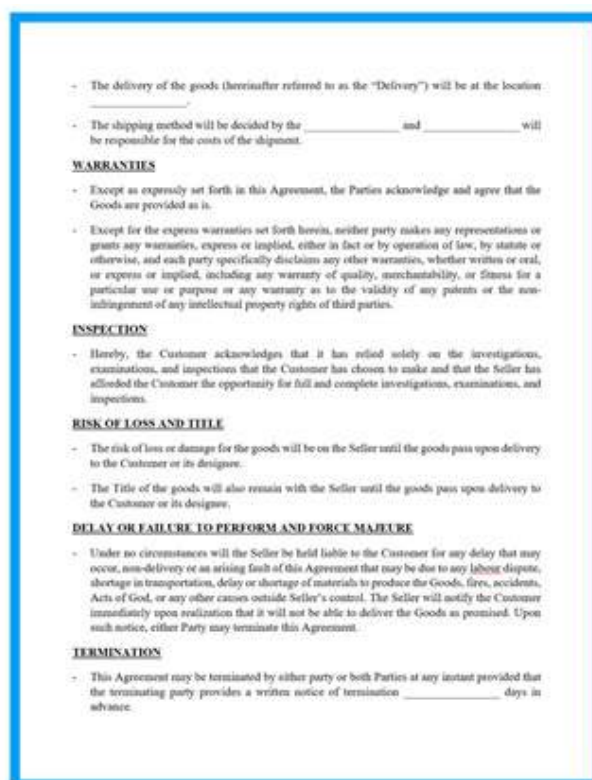


Fig. 7.2.1: Export Sales Contracts

The following are the components and structure of an export sales contract:

- **Parties Involved:** Names, addresses, and contact details of the exporter (seller) and importer (buyer).
- **Description of Goods:** Detailed information about the goods, including quality, quantity, specifications, and packaging standards.
- **Price and Payment Terms:** Agreed price of the goods, currency used, payment method (e.g., letter of credit, advance payment), and payment schedule.
- **Delivery Terms (Incoterms):** Clearly defined delivery terms, such as FOB, CIF, or EXW, specify the point where risk transfers from seller to buyer.
- **Shipping and Documentation:** Shipping method, expected shipment date, and required documents like invoice, packing list, certificate of origin, and bill of lading.
- **Inspection and Quality Control:** Conditions for inspection before shipment and quality assurance standards to be met.
- **Insurance:** Responsibility for insuring the goods and the type of insurance coverage required.
- **Dispute Resolution and Governing Law:** Clause outlining the legal jurisdiction and method of resolving disputes (e.g., arbitration, litigation).
- **Force Majeure Clause:** Conditions under which either party is excused from liability due to unforeseen events beyond their control.
- **Signatures and Date:** Signatures of authorised representatives from both parties, along with the date of agreement.

7.2.2 Payment Terms in Exports

Payment terms in exports refer to the conditions under which the exporter will receive payment from the importer for goods sold internationally. These terms are critical to managing financial risk, ensuring timely payment, and maintaining trust between trading partners. They range from advance payments to open account arrangements, each offering different levels of security and convenience for the exporter and importer.

The following are the payment terms in export deals:

- **Advance Payment:**
 - The importer pays the exporter before shipment.
 - Offers maximum security to the exporter but involves high risk for the importer.
- **Letter of Credit (L/C):**
 - A guarantee from the importer's bank that payment will be made once all contract conditions and documentation are met.
 - Commonly used in international trade due to balanced risk for both parties.
- **Documentary Collection:**
 - The exporter ships the goods and forwards shipping documents through banks, which release them to the importer upon payment (D/P) or acceptance of a draft (D/A).
 - Less secure than L/C but more cost-effective.
- **Open Account:**
 - Goods are shipped and delivered before payment is due, often within 30, 60, or 90 days.
 - High risk for the exporter; usually used with trusted buyers.

- **Consignment:**
 - Goods are sent to the importer, but payment is made only when the goods are sold to the end customer.
 - Involves maximum risk for the exporter and is used in long-term relationships or with agents.
- **Part Payment:**
 - A portion of the payment is made in advance, and the balance is paid upon delivery or at a later stage.
 - Helps balance the risk between the exporter and importer.

7.2.3 Essential Export Documentation

Essential export documentation refers to the key paperwork required to ship goods from one country to another legally and efficiently. These documents ensure compliance with trade regulations, facilitate customs clearance, and provide proof of contract, payment, and shipment. Accurate and complete documentation is critical for avoiding delays, penalties, or financial losses in international trade.

The following are essential export documents that are required to export:

- **Commercial Invoice:**
 - A bill issued by the exporter to the importer, detailing the goods, price, terms of sale, and payment terms.
 - Serves as the primary document for customs clearance.
- **Packing List:**
 - Lists the contents, dimensions, and weight of each package.
 - Helps customs and logistics personnel verify and handle the shipment properly.
- **Bill of Lading (B/L):**
 - Issued by the carrier, it acts as a receipt for goods, a document of title, and a contract of carriage.
 - Required to claim goods at the destination port.
- **Shipping Bill:**
 - A declaration made to Indian customs (or the respective country's customs) before exporting goods.
 - Needed for customs clearance and export approval.
- **Certificate of Origin (COO):**
 - Certifies the country where the goods were manufactured.
 - Required to qualify for trade benefits under free trade agreements.
- **Letter of Credit (L/C):**
 - A financial document from the buyer's bank guaranteeing payment to the exporter upon fulfilling contract terms.
 - Used as a secure method of payment.
- **Insurance Certificate:**
 - Confirms that the goods are insured during transit.
 - Protects against loss or damage during shipment.
- **Export License (if applicable):**
 - Required for restricted or controlled goods as per government regulations.
 - Grants legal permission to export specific items.

7.2.4 Purpose and Content of Key Documents such as Proforma Invoice, Purchase Order, Commercial Invoice, and Packing List

Key export documents like the Proforma Invoice, Purchase Order, Commercial Invoice, and Packing List play essential roles in facilitating international trade. They help define the terms of sale, confirm buyer intent, support customs clearance, and ensure correct packaging and shipment handling. Each document serves a specific purpose and contains detailed information to maintain clarity, legal compliance, and smooth transaction flow between the exporter and importer.

The following are the purpose and content of key documents like Proforma Invoice, Purchase Order, Commercial Invoice, and Packing List:

- **Proforma Invoice:**
 - **Purpose:** Acts as a preliminary quote from the exporter to the importer, outlining the proposed transaction before a formal sale.
 - **Content:** Includes description of goods, quantity, price, Incoterms, payment terms, delivery schedule, and validity period of the offer.
- **Purchase Order (PO):**
 - **Purpose:** Issued by the importer to formally confirm the order and intent to buy goods under specified terms.
 - **Content:** Contains buyer and seller details, product description, quantity, agreed prices, payment and delivery terms, and order number.
- **Commercial Invoice:**
 - **Purpose:** A legal document used for customs and payment purposes; it confirms the sale and the actual transaction details.
 - **Content:** Lists exporter and importer details, invoice number, date, goods description, price per unit, total value, Incoterms, payment terms, and signatures.
- **Packing List:**
 - **Purpose:** Assists in verifying the contents of the shipment for customs, transporters, and warehouse handling.
 - **Content:** Includes detailed packing information like number of packages, weight, dimensions, item-wise contents, carton markings, and reference numbers.

7.2.5 Shipping and Transport Documents

Shipping and transport documents such as the Shipping Bill, Bill of Lading, and Airway Bill are essential for the legal and logistical movement of goods across borders. These documents help exporters comply with customs regulations, serve as proof of shipment, and define the terms of transport. Each document has a specific function depending on the mode of transport and plays a crucial role in tracking, ownership transfer, and payment processing.

Following is the analysis:

- **Shipping Bill:**
 - **Purpose:** A customs declaration document is required to obtain export clearance from the port of origin.
 - **Use:** Submitted electronically to customs authorities along with export documentation.

- **Content:** Includes exporter/importer details, description of goods, quantity, value, HS code, port of loading, and export incentives claimed.
- **Issued by:** Customs authorities (typically through an online portal like ICEGATE in India).
- **Bill of Lading (B/L):**
 - **Purpose:** A transport document used in sea shipments that serves as a receipt for goods, a contract of carriage, and a document of title.
 - **Use:** Needed to claim goods at the port of destination, and is often required for payment under a letter of credit.
 - **Content:** Contains shipper and consignee details, vessel name, port of loading and discharge, description of goods, and number of containers/packages.
 - **Issued by:** Shipping company or freight forwarder.
- **Airway Bill (AWB):**
 - **Purpose:** A non-negotiable document used for air shipments; it serves as a receipt for cargo and evidence of the contract of carriage.
 - **Use:** Used for customs clearance and tracking the shipment through air cargo networks.
 - **Content:** Includes shipper and consignee names, airport of origin and destination, flight number, description of goods, and weight.
 - **Issued by:** Airline or air freight carrier.

7.2.6 Role of Financial and Legal Export Documents

Financial and legal documents such as the Bill of Exchange, Bank Realisation Certificate (BRC), and Letter of Credit (L/C) play a vital role in securing payments, managing risks, and ensuring legal compliance in export transactions. These documents provide legal assurance of payment, facilitate banking procedures, and serve as proof of foreign exchange earnings, helping both exporters and financial institutions maintain transparency and accountability in trade.

The following is a discussion of the role of certain financial and legal documents required in exporting:

- **Bill of Exchange:**
 - **Purpose:** A written, legally binding order from the exporter (drawer) to the importer (drawee) to pay a specified amount either on demand or at a fixed future date.
 - **Use:** Used as a negotiable financial instrument in export transactions to secure payment.
 - **Content:** Contains details like amount payable, date, names of parties involved, payment terms, and signatures.
 - **Role:** Helps exporters formalise credit terms and serves as evidence in case of non-payment.
- **Bank Realisation Certificate (BRC):**
 - **Purpose:** A certificate issued by the exporter's bank as proof of receipt of payment in foreign currency for exported goods or services.
 - **Use:** Required for claiming export benefits, tax refunds, and compliance under FEMA (Foreign Exchange Management Act).
 - **Content:** Includes exporter details, invoice number, foreign currency received, and date of realisation.
 - **Role:** Validates the actual inward remittance from an export sale.

- **Letter of Credit (L/C):**
 - **Purpose:** A financial document issued by the importer's bank, guaranteeing payment to the exporter upon meeting specified terms and submitting required documents.
 - **Use:** Commonly used to reduce payment risk in international trade, especially when trading with new or distant buyers.
 - **Content:** Outlines conditions like shipment deadline, documents required (e.g., bill of lading, invoice), payment amount, and expiry date.
 - **Role:** Provides assurance to the exporter of receiving payment and ensures the buyer's obligations are backed by a bank.

7.2.7 Certificate of Origin and Documents Against Acceptance

The Certificate of Origin and Documents Against Acceptance (D/A) are crucial export documents that serve different but important purposes in international trade. The Certificate of Origin certifies the manufacturing origin of goods and is often required for customs clearance and preferential duty treatment. Documents Against Acceptance is a payment method where the importer agrees to pay by accepting a time draft, allowing delayed payment while giving the exporter some assurance of future settlement.

The following is a discussion of the importance of the Certificate of Origin and Documents Against Acceptance (D/A) required in exporting:

- **Certificate of Origin:**
 - **Purpose:** Certifies the country where the exported goods were manufactured.
 - **Use:** Customs authorities in the importing country are required to determine tariff treatment and ensure trade compliance.
 - **Content:** Includes exporter and importer details, description of goods, origin declaration, and certifying authority's signature and stamp.
 - **Importance:** Helps in availing benefits under trade agreements (like FTAs), prevents origin fraud, and supports customs clearance.
- **Documents Against Acceptance (D/A):**
 - **Purpose:** A payment method where the exporter instructs the bank to release shipping documents to the importer only after the importer accepts a time draft (promise to pay at a later date).
 - **Use:** Allows the importer to receive goods before payment and pay on an agreed future date.
 - **Content:** Includes time draft, invoice, bill of lading, and other export documents handed over by the exporter's bank to the importer's bank.
 - **Importance:** Offers flexibility in payment for the importer while giving the exporter some security through a formal acceptance, though with higher payment risk than L/C.

7.2.8 Accuracy and Completeness of Export Documents

Verifying the accuracy and completeness of export documents is a critical step in ensuring smooth customs clearance, timely payment, and legal compliance. Errors or omissions in documentation can lead to shipment delays, fines, or rejection of payment by banks or buyers. A careful review of all required documents ensures that they are consistent, correctly filled, and aligned with contractual and regulatory requirements.

The following is the verification of the accuracy and completeness of export documents:

- **Check Consistency Across Documents:** Verify that details like product description, quantity, price, and Incoterms match across the commercial invoice, packing list, and shipping documents.
- **Verify Buyer and Seller Information:** Ensure that the names, addresses, and contact details of both the exporter and importer are accurate and consistent in all documents.
- **Confirm Invoice and Shipment Details:** Check invoice number, date, currency, and payment terms, as well as shipment details like mode of transport, ports, and dates.
- **Ensure Validity of Certificates and Licenses:** Confirm that documents such as Certificate of Origin, insurance certificate, and export license (if applicable) are valid and correctly issued.
- **Review Financial Documents:** Validate the accuracy of bills of exchange, bank documents, and payment terms like Letters of Credit to ensure they meet agreed conditions.
- **Inspect Signatures and Stamps:** Verify that all required signatures, stamps, and authorisations are present and correctly placed on each document.
- **Check Document Formats and Copies:** Ensure documents are in the correct format (original or copy as required), clearly printed, and free from alterations or errors.

7.2.9 Compliance with Export Documentation Standards

Ensuring compliance with export documentation standards is essential for legal, financial, and operational success in international trade. Proper adherence helps meet customs regulations, banking requirements, and buyer expectations. It reduces the risks of shipment delays, penalties, or payment failures, and ensures that documents are accepted globally for smooth transaction processing.

The following is the compliance with export documentation standards:

- **Follow Country-Specific Regulations:** Ensure that documents comply with both the exporting and importing countries' laws and trade regulations.
- **Use Standardised Document Formats:** Prepare documents using internationally accepted formats (e.g., for invoices, bills of lading, and certificates of origin).
- **Maintain Accuracy and Clarity:** Avoid errors, omissions, or ambiguous entries; ensure clear, precise, and consistent information across all documents.
- **Include All Mandatory Documents:** Verify that all required documents, such as commercial invoice, packing list, shipping bill, and transport documents, are correctly included.
- **Align with Letter of Credit or Contract Terms:** Ensure documents exactly match the terms specified in the sales contract or letter of credit to avoid payment issues.
- **Timely Submission and Updates:** Submit documents within the required timeframes and update them promptly if any corrections are needed before shipment.
- **Retention and Record-Keeping:** Store copies of all export documents securely for future reference, audits, or compliance verification.

Summary

- Export transactions involve various formalities and documentation, including compliance with legal, financial, and customs procedures.
- Different credit and financing methods, like letters of credit and export credit insurance, are used to support exporters.
- Managing foreign exchange risk is critical and involves strategies such as hedging and using forward contracts.
- International commercial terms (Incoterms) clarify the responsibilities of buyers and sellers in global trade.
- Export sales contracts must clearly outline terms, payment conditions, and responsibilities to avoid disputes.
- Accurate and complete documentation, including invoices, transport and financial papers, and certificates, is essential for successful and compliant export operations.

Exercise

Multiple-choice Question:

1. Which document outlines the buyer's interest before confirming an export order?
 - a. Commercial Invoice
 - b. Shipping Bill
 - c. Proforma Invoice
 - d. Bill of Lading
2. What is a common method used to manage foreign exchange risk?
 - a. Cash Payment
 - b. Letter of Credit
 - c. Forward Contract
 - d. Packing List
3. Which of the following is a transport document in export transactions?
 - a. Certificate of Origin
 - b. Airway Bill
 - c. Purchase Order
 - d. Proforma Invoice
4. What is the function of a Bill of Exchange in export documentation?
 - a. It lists packaging details
 - b. It confirms the sale
 - c. It acts as a payment demand
 - d. It serves as a customs clearance document
5. Which document proves the origin of goods in export shipments?
 - a. Packing List
 - b. Certificate of Origin
 - c. Letter of Credit
 - d. Commercial Invoice

Descriptive Questions:

1. Explain the steps and documentation required in a typical export transaction.
2. Describe how a letter of credit works as a financing tool in export operations.
3. What are the key components of an export sales contract?
4. Discuss the importance of verifying export documents for accuracy and compliance.
5. Illustrate the difference between a bill of lading and an airway bill in export logistics.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface. There is no handwriting or other markings on the paper.

Letter of Credit(LC)



Foreign Exchange Risk Management



Export Sales Contract





8. Supervise and Evaluate Performance

Unit 8.1 - Documentation and Information Flow

Unit 8.2 - Performance Evaluation and Target Setting



Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Describe the process of creating documents using various software.
2. Explain the process of handing over the documents to the human resource department.
3. Explain the method of implementing proper process flow for feedback and queries.
4. Create the documents using the Management Information System (MIS)
5. Identify the documentation mechanisms available in the organisation.
6. Evaluate the performance of subordinates.
7. Perform appraisal-related process flow for the subordinates.
8. Set the targets for all the organisational activities for all the executives.
9. Create quantified measures and metrics to analyse the performance of subordinates.
10. Set tangible incentives for the subordinates.
11. Supervise the activities of the group for appraisals and other performance.

UNIT 8.1: Documentation and Information Flow

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the process of creating documents using various software and MIS systems.
2. Describe the mechanisms used for organisational documentation and record-keeping.
3. Illustrate the steps involved in handing over documents to the Human Resource Department.
4. Analyse the process flow for handling feedback and queries effectively.

8.1.1 Document Creation Using Software and MIS Systems

Creating export documents using software and MIS systems involves using specialised tools designed to handle trade-related documentation efficiently and accurately. These platforms typically include modules for generating standard forms such as:

- Proforma Invoices
- Commercial Invoices
- Packing Lists
- Shipping Bills
- Certificates of Origin
- Bills of Lading or Airway Bills
- Bank-related documents like Letters of Credit and Bills of Exchange

Modern software tools allow users to input key data once (such as buyer details, product information, pricing, shipping terms, etc.), and this data auto-populates across all required documents, maintaining consistency and minimising duplication.

MIS (Management Information Systems) further enhances the process by integrating different functions such as sales, finance, logistics, and compliance. MIS platforms enable:

- Real-time data sharing between departments
- Automated compliance checks for export regulations
- Integration with government portals (e.g., ICEGATE in India) and shipping line software
- Generation of performance reports and audit trails
- Secure storage and retrieval of documentation for inspections or audits

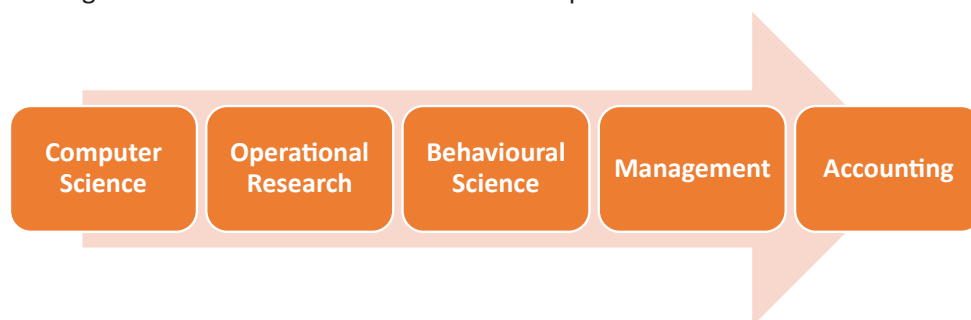


Fig. 8.1.1: MIS

The overall impact of this document creation process using software, as well as the MIS Systems, is mentioned as follows:

- Facilitates fast and accurate generation of export documents through automation.
- Reduces the risk of human error and inconsistent data entry across multiple forms.
- Enhances coordination between departments like sales, accounts, logistics, and compliance.
- Ensures legal and regulatory compliance by integrating updated customs/export guidelines.
- Improves decision-making through real-time reports, analytics, and document tracking.
- Saves time and reduces costs associated with manual documentation and delays.
- Enables smoother interaction with banks, freight forwarders, and customs through digital integration.
- Increases transparency and accountability with built-in audit trails and version control features.

8.1.2 Organisational Documentation and Record-Keeping Mechanisms

Organisational documentation and record-keeping involve structured mechanisms to create, manage, store, and retrieve records efficiently and securely. These mechanisms ensure legal compliance, support business continuity, and aid decision-making by preserving accurate and accessible information across departments.

The mechanisms that are used are discussed as follows:

- **Document Management Systems (DMS):** Digital platforms that allow centralised storage, version control, access permissions, and indexing of all organisational documents.



Fig. 8.1.2: Document Management System

- **Standard Operating Procedures (SOPs):** Written guidelines that detail how documents should be created, named, reviewed, and stored to maintain consistency.



Fig. 8.1.3: Standard Operating Procedures

- **Record Retention Policies:** Rules that define how long different types of documents must be kept and when they can be disposed of, aligned with legal and operational requirements.
- **Cloud-Based Storage Solutions:** Secure online platforms (like Google Drive, SharePoint, or Dropbox Business) that enable easy access, sharing, and backup of records.

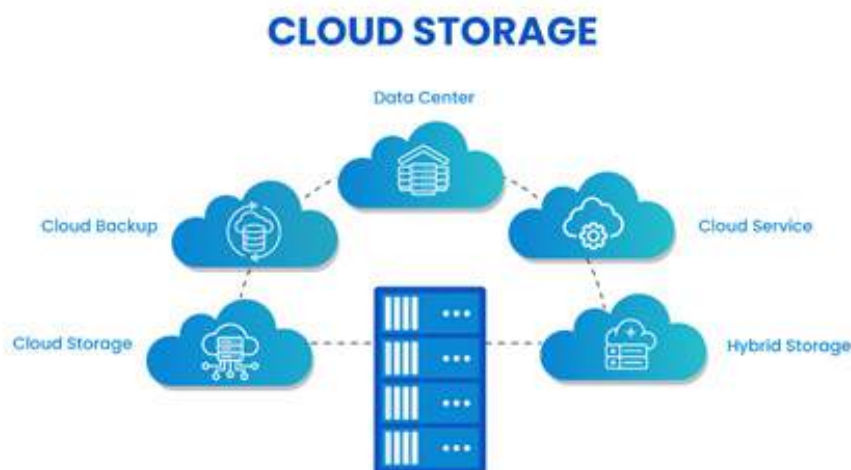


Fig. 8.1.4: Cloud-Based Storage Solutions

- **Enterprise Resource Planning (ERP) Systems:** Integrated systems that automatically generate and store transaction records across departments like finance, sales, HR, and logistics.



Fig. 8.1.5: ERP

- **Manual Record-Keeping (for small or legacy operations):** Physical files and registers are maintained under filing systems with secure storage and limited access.

The overall impact of this documentation and record-keeping mechanisms is mentioned as follows:

- Ensures compliance with legal, tax, and industry-specific regulatory requirements.
- Improves efficiency by making information easily searchable and retrievable.
- Enhances data security and access control to protect sensitive information.
- Supports continuity and risk management by preserving critical business records.
- Enables transparency, accountability, and internal audits through structured documentation.
- Reduces physical storage needs and improves environmental sustainability when using digital systems.

8.1.3 Handing Over Documents to the Human Resource Department

The handover of documents to the Human Resources department is a critical administrative process that supports accurate employee record management. This ensures compliance with company policies and regulatory standards, as well as smooth HR functions such as onboarding, payroll, training, and performance management. The process must be systematic, confidential, and well-documented to maintain the integrity of personnel records and protect sensitive information.

The steps are discussed below:

- **Step 1: Document Preparation:** Gather all required documents, such as identity proofs, academic certificates, prior employment records, offer or appointment letters, bank details, tax forms (like PAN, Aadhar, Form 16), and signed agreements. Ensure each document is complete, legible, and up to date.

- **Step 2: Verification:** Double-check documents for accuracy and verify against a checklist provided by the HR department. Some documents (like mark sheets or IDs) may not need notarization or self-attestation depending on company policy.
- **Step 3: Labelling and Categorisation:** Organise documents by type, such as personal documents (ID proof), professional documents (experience letters), and contractual/legal papers (NDAs, employment contracts). Label them with the employee's name, employee code (if issued), and submission date.
- **Step 4: Submission to HR Representative:** Submit the documents to the responsible HR officer either in person (for physical files) or via secure digital channels (email, HR portals, or document management systems). Digital files should follow prescribed formats (e.g., PDF, JPEG) and naming conventions.
- **Step 5: Acknowledgment Receipt:** Request and retain an acknowledgment of receipt from the HR department—this may be a signed physical copy or a confirmation email/message. This serves as proof of submission and can help resolve future discrepancies.
- **Step 6: Secure Filing and Storage:** HR securely stores the documents in the employee's personal file or uploads them to a Human Resource Management System (HRMS). Access to these documents is typically restricted to authorised personnel to maintain confidentiality and data protection.

It can be further stated that:

- For remote employees, companies may allow document uploads through dedicated HR portals or cloud platforms like SAP SuccessFactors, Zoho People, or BambooHR.
- Sensitive documents such as medical records or background checks are often stored under stricter access controls.
- Proper documentation ensures legal protection for both the employee and the organisation in case of disputes, audits, or compliance reviews.

8.1.4 Handling Feedback and Queries

The Human Resource (HR) department plays a key role in handling feedback and queries related to exporting, especially when it involves employee training, compliance, performance, and documentation. An effective process flow ensures timely response, clear communication, and resolution of issues to support export-related activities within the organisation.

The following is the process flow for handling feedback and queries to the HR Department:

- **Step 1: Feedback or Query Submission:** Employees submit feedback or queries through official channels such as email, HR portals, suggestion boxes, or scheduled meetings.
- **Step 2: Acknowledgment of Receipt:** The HR department acknowledges the query promptly, logs it into a tracking system, and assigns a reference number for follow-up.
- **Step 3: Categorisation and Routing:** HR categorises the issue (e.g., training, compliance, documentation, international assignment support) and routes it to the appropriate HR personnel or department (e.g., Training, Legal, Compliance).
- **Step 4: Investigation and Clarification:** The assigned HR personnel reviews the query, gathers relevant information, consults with export or operations teams if needed, and seeks clarification from the employee if necessary.

- **Step 5:** Resolution and Response: HR provides a formal response with the resolution, necessary action steps, or guidance. This may include changes in training, providing additional documents, or addressing concerns related to export duties.
- **Step 6:** Documentation and Follow-up: The entire process is documented for future reference. HR may follow up to ensure the issue has been resolved to the employee's satisfaction and update internal policies if needed.

UNIT 8.2: Performance Evaluation and Target Setting

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the process of setting organisational targets and objectives for executives.
2. Describe the role of supervising group activities in appraisals and performance assessments.
3. Analyse the effectiveness of metrics and quantified measures for performance evaluation.
4. Discuss appraisal and feedback processes for subordinates to enhance productivity.
5. Illustrate the impact of setting tangible incentives on subordinate motivation.
6. Assess various methods of performance evaluation and review for subordinates.
7. Examine strategies for overseeing performance-related processes and continuous improvements.

8.2.1 Setting Organisational Targets and Objectives for Executives

Setting organisational targets and objectives for executives involves aligning high-level goals with the company's vision, strategic priorities, and performance expectations. This process ensures that executives lead effectively, drive results, and are held accountable through measurable outcomes.

1. Align with Vision, Mission, and Strategic Priorities

- Vision is the long-term aspiration of the organisation — where it wants to be in 5, 10, or 20 years.
- Mission defines the organisation's core purpose and values.
- Executives' objectives must cascade from these high-level statements to ensure their efforts contribute to the broader picture.
- This alignment creates coherence and focus across the leadership team.

2. Conduct Environmental and Internal Analysis

- Perform a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats).
- Review market trends, competitive landscape, regulatory environment, and customer needs.
- Evaluate internal capabilities — financial resources, human capital, technology, and operational efficiency.
- This step helps identify realistic and relevant target areas where executives can have an impact.

3. Define SMART Objectives

- Specific: Clear and well-defined targets avoid ambiguity.
- Measurable: Quantifiable indicators enable objective tracking of progress.
- Achievable: Goals must be realistic, given the resources and constraints that motivate executives.
- Relevant: Ensure objectives align with organisational priorities and the executive's role.
- Time-bound: Deadlines create urgency and enable phased review.

4. Executive Involvement and Negotiation

- Executives should actively participate in goal-setting to ensure they feel ownership and commitment.

- Discussions may involve negotiating targets based on insights from their departments or regions.
- This collaborative approach improves motivation and practical feasibility.

5. Translate Goals into KPIs

- KPIs are quantifiable metrics that directly relate to objectives.
- Examples include:
 - Revenue growth (% increase)
 - Cost savings (amount saved)
 - Customer retention rate (%)
 - Employee engagement scores
- KPIs should be tracked regularly and reported transparently.

6. Set Clear Timelines and Milestones

- Break down annual targets into quarterly or monthly milestones to monitor progress.
- This enables early identification of issues and allows for corrective actions.
- Milestones can be linked to key projects, product launches, or seasonal cycles.

7. Assign Responsibility and Authority

- Clearly state who is accountable for each objective.
- Define decision-making authority and resources allocated.
- This avoids confusion, overlaps, or gaps in responsibility.

8. Formalise and Communicate

- Document objectives in official performance plans or leadership contracts.
- Communicate targets clearly across the executive team and relevant stakeholders.
- Transparency ensures alignment and encourages cross-functional collaboration.

9. Monitor Progress and Provide Feedback

- Use dashboards, balanced scorecards, or regular review meetings to track progress.
- Provide timely feedback and support to executives.
- Identify roadblocks and offer solutions or additional resources.

10. Review and Adjust Objectives

- Organisational environments change — market conditions, technology, regulations, or internal strategy may evolve.
- Regular reviews (quarterly or biannually) allow adaptation of objectives to stay relevant.
- Flexibility ensures that executive efforts remain impactful.

8.2.2 Supervising Group Activities and Conducting Performance Appraisals

Supervising group activities during appraisals and performance assessments helps managers observe teamwork, communication, problem-solving, and individual contributions in real-time. This provides a comprehensive view of employee performance beyond individual metrics and supports fair, informed evaluations. During a team problem-solving exercise, the supervisor notes who volunteers ideas, who facilitates discussions, and how the team handles disagreements. Post-activity, the supervisor discusses observations with each member, linking behaviour to performance goals and development needs.

The following are the detailed discussions:

1. Real-Time Observation of Behaviour and Skills

- Supervisors can directly witness how employees perform tasks collaboratively, revealing soft skills like communication, leadership, and conflict resolution.
- Observations show how individuals handle pressure, time management, and decision-making within a team context.

2. Assessing Team Roles and Contributions

- Group activities help clarify how each member contributes — whether they take initiative, support peers, or hinder progress.
- Recognising different roles (leader, facilitator, idea generator, executor) helps supervisors understand the employee's strengths and areas for growth.

3. Uncovering Hidden Talents and Challenges

- Some employees shine more in group settings than in solo tasks, revealing leadership potential or problem-solving ability.
- Conversely, supervisors may spot individuals struggling with teamwork, communication barriers, or interpersonal conflicts.

4. Contextualising Performance Data

- Group observations provide context to quantitative data like sales numbers or production rates, balancing numbers with behavioural insights.
- This holistic view reduces biases that come from relying solely on metrics or self-reports.

5. Enabling Peer Feedback and Self-Reflection

- Group activities can include structured feedback sessions, where peers evaluate each other's contributions.
- This encourages accountability and promotes a culture of openness and continuous improvement.

6. Supporting Development and Training Plans

- Insights from group supervision inform personalised development plans addressing interpersonal skills or specific competency gaps.
- Helps in designing team-building exercises or leadership training aligned with real performance gaps.

7. Challenges Supervisors May Face

- Observer bias: Supervisors must remain objective, avoiding favouritism or preconceptions.
- Group dynamics: Dominant personalities may overshadow quieter members, making it harder to assess all fairly.
- Time constraints: Supervising group activities requires adequate time and planning to gather meaningful data.

8. Best Practices for Supervisors

- Prepare clear criteria and checklists to guide observations during group tasks.
- Rotate the observation focus to ensure all members are evaluated.
- Use multiple sessions and different group setups to get a well-rounded view.
- Combine group activity observations with individual appraisals for balanced assessments.
- Provide constructive feedback promptly, focusing on behaviours and outcomes.

8.2.3 Using Metrics and Feedback for Performance Evaluation

Metrics and quantified measures are essential tools for evaluating employee and organisational performance. They provide objective, consistent, and data-driven insights, helping managers make informed decisions. However, their effectiveness depends on proper alignment with job roles, business goals, and a balanced approach with qualitative feedback. Quantified performance metrics are widely used in organisations to assess how well individuals and teams are meeting their goals. When well-designed, they offer a structured and objective way to evaluate performance. However, overreliance or poorly aligned metrics can lead to unintended consequences or misrepresentations of employee capability.

The role of supervising group activities in appraisals and performance assessments is mentioned as follows:

- **Objectivity and Fairness:** Reduces bias by relying on clear, measurable data rather than personal opinions.
- **Clear Expectations:** Sets defined performance targets so employees understand exactly what's expected.
- **Trackable Progress:** Enables ongoing monitoring of performance over time, making it easy to identify improvements or declines.
- **Supports Informed Decisions:** Helps managers make evidence-based decisions about promotions, training, and rewards.
- **Recognition of High Performers:** Clearly identifies top achievers, supporting fair recognition and incentive distribution.
- **Early Detection of Issues:** Allows quick identification of performance problems so corrective action can be taken promptly.
- **Goal Alignment:** Ensures individual and team efforts are in line with broader organisational objectives.
- **Enables Performance Comparison:** Facilitates benchmarking across individuals, teams, or time periods.
- **Drives Productivity and Accountability:** Encourages consistent performance and motivates employees to meet or exceed targets.

Best Practices

- Use SMART and role-specific metrics
- Review and adjust measures regularly
- Combine with feedback, coaching, and peer evaluations
- Interpret metrics with context for fairer judgments
- Train managers to use data responsibly and ethically

8.2.4 Enhancing Productivity through Appraisals and Incentive-Based Motivation

Appraisal and feedback processes play a crucial role in enhancing employee productivity by evaluating performance, recognising achievements, identifying improvement areas, and fostering professional development. Effective feedback motivates subordinates, aligns them with organisational goals, and improves overall efficiency.

The key benefits of an effective appraisal and feedback process for subordinates in enhancing productivity are mentioned below:

- **Clarifies Expectations and Goals**
 - Employees understand what is expected of them.
 - Targets are aligned with team and company objectives, improving focus and direction.
- **Identifies Strengths and Improvement Areas**
 - Appraisals provide a detailed performance snapshot.
 - Helps pinpoint what employees are doing well and where they need support.
- **Improves Communication**
 - Encourages open dialogue between supervisors and team members.
 - Fosters a culture of trust and transparency.
- **Enhances Skill Development**
 - Highlights training needs based on observed performance.
 - Leads to targeted development programs and upskilling initiatives.
- **Recognises and Rewards Performance**
 - Positive feedback reinforces desirable behaviours.
 - Recognition boosts morale, motivation, and employee retention.
- **Encourages Continuous Improvement**
 - Feedback promotes self-awareness and accountability.
 - Regular check-ins ensure that corrective actions are timely and effective.
- **Builds Engagement and Morale**
 - Employees feel valued when their contributions are acknowledged.
 - Promotes job satisfaction and a sense of belonging.
- **Aligns Performance with Organisational Goals**
 - Ensures everyone is working toward common strategic objectives.
 - Drives overall efficiency and productivity across departments.
- **Supports Career Planning**
 - Appraisals guide employees on potential career paths within the organisation.
 - Encourages long-term commitment and ambition.
- **Tracks Progress Over Time**
 - Establishes a historical record of performance trends.
 - Useful for promotions, salary reviews, and succession planning.

8.2.5 Impact of Setting Tangible Incentives on Subordinate Motivation

Setting tangible incentives—such as bonuses, recognition, or promotions—can significantly boost subordinate motivation. When employees see a direct link between their efforts and rewards, they are more likely to perform better, stay committed, and contribute positively to team and organisational goals. Tangible incentives, when well-designed and fairly implemented, serve as powerful tools to drive subordinate motivation. They contribute not just to immediate performance gains but also to long-term engagement, retention, and cultural alignment. However, it's important to combine them with non-monetary motivators (like feedback and growth opportunities) for a holistic approach.

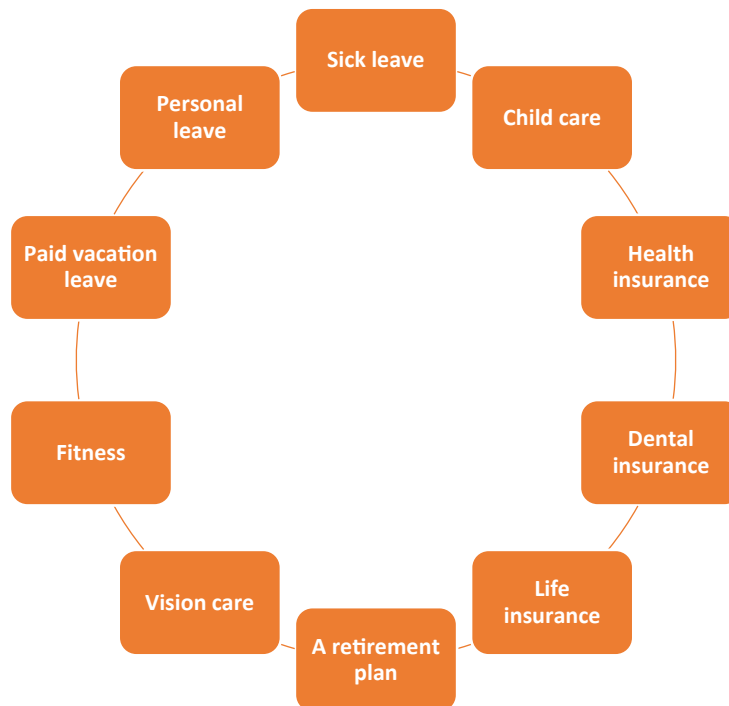


Fig. 8.2.1: Benefits of setting tangible employee benefits & perks

The impact of setting tangible incentives on subordinate motivation is mentioned as follows:

- **Enhances Performance and Productivity**
 - When subordinates know that good performance leads to tangible rewards, they are more likely to exert extra effort.
 - This leads to faster output, better quality work, and stronger results.
- **Aligns Personal Goals with Organisational Objectives**
 - Incentives tied to company targets (like sales or production numbers) encourage employees to align their efforts with what matters most to the organisation.
- **Promotes a Culture of Excellence**
 - Consistent reward systems reinforce high standards and best practices across the team.
 - Employees are encouraged to go beyond the minimum requirements.
- **Improves Job Satisfaction and Morale**
 - Recognition through tangible incentives helps employees feel valued and appreciated, which fosters a positive work environment.
- **Reduces Turnover and Builds Loyalty**
 - Motivated employees are more likely to stay with the organisation when their efforts are rewarded.
 - Helps reduce recruitment costs and retains valuable talent.
- **Strengthens Manager-Employee Relationships**
 - When supervisors offer fair and consistent rewards, it builds trust and respect between leaders and subordinates.
- **Encourages Team Participation and Collaboration**
 - Team-based incentives encourage collective success, leading to better collaboration and shared responsibility.

- **Adds Transparency and Fairness**
 - Clearly defined incentives based on measurable performance remove ambiguity and promote fairness in evaluations.
- **Stimulates Professional Development**
 - Some incentives can be tied to learning new skills or certifications, which motivates employees to improve and grow.
- **Fuels Innovation and Initiative**
 - Knowing that innovative ideas or extra efforts might be rewarded motivates employees to go beyond their daily duties.

Examples of Tangible Incentives in Practice

- Bonus for meeting production targets
- Recognition awards (e.g., “Employee of the Month”)
- Gift vouchers for zero absenteeism
- Paid training or development programs
- Promotion after performance appraisal

8.2.6 Performance Evaluation Methods

Performance evaluation and review methods are essential tools for assessing employee contributions, providing feedback, identifying development needs, and making informed decisions about promotions, compensation, or training. Effective evaluation methods vary depending on organisational goals, job roles, and company culture. The most common approaches include traditional appraisals, self-assessments, 360-degree feedback, and management-by-objectives (MBO). Each has unique strengths and limitations in terms of objectivity, comprehensiveness, and ease of implementation.



Fig. 8.2.2: Performance Evaluation

The different methods of performance evaluation and review for subordinates are mentioned as follows:

- **Traditional Performance Appraisal**
 - Conducted by a supervisor
 - Often annual or biannual
 - Focuses on past performance against predefined criteria
- **Self-Assessment**
 - Employees evaluate their own performance
 - Encourages self-reflection and accountability
 - Typically used in conjunction with other methods
- **360-Degree Feedback**
 - Gathers input from supervisors, peers, subordinates, and sometimes clients
 - Offers a holistic view of performance
 - Useful for leadership development
- **Management by Objectives (MBO)**
 - Sets specific, measurable goals jointly by the manager and the employee
 - Performance is evaluated based on goal achievement
 - Promotes alignment with organisational objectives
- **Behaviourally Anchored Rating Scales (BARS)**
 - Combines qualitative and quantitative data
 - Uses specific behaviours as benchmarks
 - Reduces subjectivity
- **Rating Scales**
 - Uses numerical or descriptive scales to rate various competencies
 - Simple and widely used
 - Can lack nuance and context
- **Critical Incident Method**
 - Focuses on key examples of effective or ineffective behaviour
 - Qualitative and narrative-based
 - Useful for coaching and identifying specific issues
- **Checklist and Weighted Checklist**
 - The manager checks off a list of behaviours or tasks
 - Weighted versions assign value to each item
 - Efficient but may lack depth
- **Forced Ranking (Rank-and-Yank)**
 - Employees are ranked against each other
 - Encourages competition
 - Can be demotivating and foster unhealthy rivalry
- **Balanced Scorecard**
 - Evaluates performance across multiple dimensions (financial, customer, internal processes, learning/growth)
 - Strategic and comprehensive
 - Complex to implement

8.2.7 Strategies for Overseeing Performance-related Processes and Continuous Improvement

Effective oversight of performance-related processes and continuous improvement hinges on establishing clear objectives, collecting and analysing relevant data, engaging stakeholders, and fostering a culture of ongoing learning. By systematically monitoring key performance indicators (KPIs), soliciting feedback, and iterating on processes, organisations can identify bottlenecks, address skill gaps, and drive incremental enhancements that align with strategic goals.

The strategies for overseeing performance processes and continuous improvement are mentioned as follows:

- **Define Clear Metrics & KPIs:** Establish measurable indicators (e.g., productivity rates, quality scores, customer satisfaction) that directly tie to organisational objectives.
- **Implement Regular Monitoring & Reporting:** Schedule consistent check-ins (weekly dashboards, monthly reviews) to track progress, spot deviations early, and maintain transparency.
- **Use Data Analytics & Visualisation:** Leverage analytics tools to transform raw data into actionable insights; employ visual dashboards to highlight trends, outliers, and improvement opportunities.
- **Adopt PDCA (Plan–Do–Check–Act) Cycles:** Structure improvement efforts as iterative cycles: plan a change, implement it, evaluate outcomes, and standardise or adjust as needed.
- **Conduct Root Cause Analysis:** When performance gaps emerge, apply techniques like the “5 Whys” or fishbone diagrams to uncover underlying causes rather than treating symptoms.
- **Foster a Feedback-Rich Environment:** Encourage open, two-way feedback among managers, peers, and subordinates through surveys, one-on-ones, and suggestion platforms.
- **Integrate Continuous Learning & Development:** Align training programs and coaching with performance data to upskill staff, close competency gaps, and support career growth.
- **Leverage Cross-Functional Collaboration:** Engage relevant departments (e.g., HR, IT, operations) to co-design process improvements and share best practices organisation-wide.
- **Establish Governance & Accountability:** Define roles, responsibilities, and escalation paths for performance oversight; hold process owners accountable for KPIs and improvement initiatives.
- **Celebrate Wins & Share Learnings:** Publicly recognise teams or individuals who achieve performance improvements; document and disseminate lessons learned to reinforce a culture of continuous improvement.
- **Benchmark Against Best Practices:** Compare internal processes with industry standards or peers to identify gaps and set aspirational targets for performance enhancements.
- **Automate & Standardise Routine Tasks:** Use workflow automation and standardised procedures to reduce errors, free up capacity for high-value work, and ensure consistency.

Summary

- Participants will understand how to create professional documents using different software tools and Management Information Systems (MIS).
- They will learn the methods and systems used by organisations to manage documentation and maintain records efficiently.
- The module covers how to properly hand over documents to the Human Resource Department following standard procedures.
- It explains the structured process of addressing feedback and queries in an organised and effective manner.
- Participants will be equipped to set organisational targets and objectives, and understand how supervision affects performance appraisals.
- They will explore various evaluation methods, feedback strategies, and the role of incentives in improving subordinate motivation and productivity.

Exercise

Multiple-choice Question:

1. What is one of the primary tools used to create documents in an organisation?
 - a. Manual filing systems
 - b. Word processing software
 - c. Paper notepads
 - d. Whiteboards

2. Why is documentation handed over to the HR department?
 - a. For printing and distribution
 - b. For archiving personal information and formal records
 - c. To train new employees
 - d. To reduce the workload of managers

3. What is a key benefit of setting tangible incentives for subordinates?
 - a. Reduces office space
 - b. Improves attendance tracking
 - c. Increases motivation
 - d. Enhances system security

4. Which method helps in tracking and improving employee performance over time?
 - a. Personal opinions
 - b. Performance evaluation metrics
 - c. Verbal orders
 - d. Random interviews

5. What is an important aspect of handling feedback in an organisation?
 - a. Ignoring negative comments
 - b. Ensuring a timely and structured response
 - c. Waiting until annual meetings
 - d. Passing it to unrelated departments

Descriptive Questions:

1. Explain the process of creating documents using MIS and software tools.
2. Describe the proper steps for handing over documents to the Human Resource Department.
3. How does supervising group activities support performance assessments?
4. Discuss how incentives can affect the motivation of subordinates.
5. Illustrate methods used to evaluate employee performance effectively.

Notes

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Scan the QR codes or click on the link to watch the related videos



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Excel - MIS Report



<https://youtu.be/7VKwAkdP1C0?si=GhMfZWSDlydZycmR>

S.M.A.R.T. goal setting



<https://youtu.be/A4GklhGISxM?si=shCkFHLLDFjQJc8d>

Performance Appraisal



**APPAREL MADE-UPS HOME FURNISHING
SECTOR SKILL COUNCIL**

Unit 9.3 - Organisational Policies, Standards, and Collaboration



AMH/N0622

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Explain the significance of efficient resource usage and energy conservation in the apparel sector.
2. Describe the importance of ethical and value-based governance and its benefits for individuals and organisations.
3. Discuss the relevance of punctuality, attendance, and adherence to workplace standards.
4. Analyse legal, regulatory, and ethical requirements specific to the apparel industry.
5. Illustrate customer and country-specific regulations and their impact on apparel operations.
6. List reporting procedures and actions to take in case of regulatory deviations.
7. Demonstrate methods for handling and storing waste materials effectively.
8. Assess the importance of supporting supervisors and collaborating with team members to enforce organisational policies.
9. Explain how to seek clarification on policies and procedures from supervisors or authorised personnel.

UNIT 9.1: Ethical and Regulatory Compliance in the Apparel Industry

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the role of values and ethics in governance
2. Describe the benefits of ethical practices for individuals and organisations
3. Analyse legal, regulatory, and ethical requirements in the apparel industry
4. Discuss country and customer-specific regulations and their importance
5. Illustrate customer-specific requirements in the work process
6. Explain reporting procedures for deviations and regulatory concerns
7. Assess the limits of personal responsibility in organisational practices
8. Discuss clarifications on policies and procedures from supervisors

9.1.1 Role of Values and Ethics in Governance

Governance refers to how decisions are made, implemented, and enforced in an organisation, government, or institution. Values and ethics are the foundation of good governance, ensuring that actions are guided by principles such as integrity, accountability, and respect for the law.

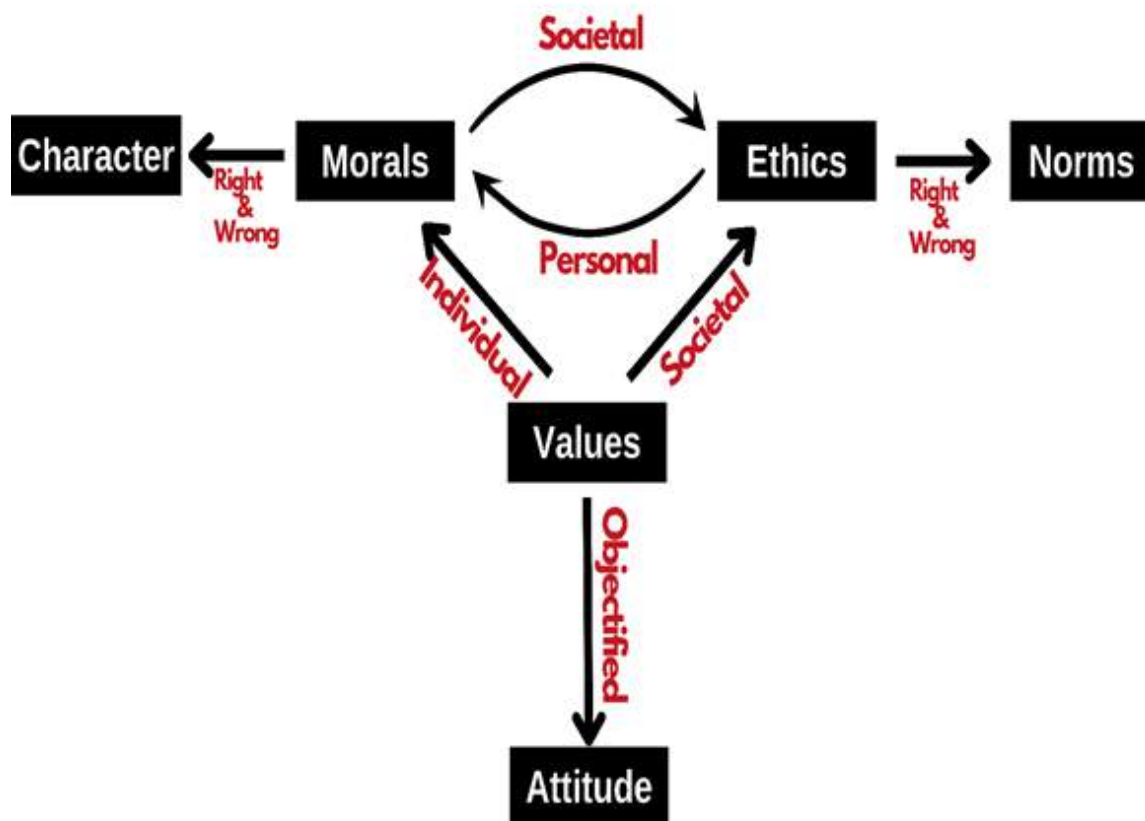


Fig. 9.1.1: Role of Values and Ethics in Governance

The roles are described as follows:

1. Ensure Accountability

- **Explanation:** Ethical governance holds leaders and employees responsible for their actions.
- **Impact:** Encourages ownership of decisions and consequences, reducing negligence or abuse of power.
- **Example:** A public official being transparent about spending public funds.

2. Promote Transparency

- **Explanation:** Openness in processes and decisions allows stakeholders to understand how and why decisions are made.
- **Impact:** Builds trust and discourages corruption.
- **Example:** Publishing audit reports and procurement details publicly.

3. Foster Fairness and Justice

- **Explanation:** Ethical leaders treat all individuals and groups equitably, regardless of status, race, or influence.
- **Impact:** Reduces discrimination and supports inclusive policies.
- **Example:** Equal opportunity hiring policies in government institutions.

4. Build Public Trust

- **Explanation:** When citizens see ethical behaviour in governance, their faith in institutions increases.
- **Impact:** Leads to higher compliance with laws and more civic engagement.
- **Example:** Trust in the judiciary due to impartial and ethical rulings.

5. Guide Moral Decision-Making

- **Explanation:** Values like honesty, compassion, and courage help leaders make decisions that benefit society, not just select individuals.
- **Impact:** Avoids decisions based on personal gain or political pressure.
- **Example:** A minister choosing to fund education over luxury infrastructure.

6. Deter Corruption and Misuse of Authority

- **Explanation:** Strong ethical standards act as a barrier to unethical practices like bribery or favouritism.
- **Impact:** Protects the integrity of systems and promotes justice.
- **Example:** Whistleblower protections that expose corrupt officials.

7. Strengthen Institutional Integrity

- **Explanation:** Institutions built on ethical foundations maintain a positive reputation and long-term credibility.
- **Impact:** Encourages both internal and external stakeholders to support and respect them.
- **Example:** A transparent public service exam board upholding merit-based selections.

8. Encourage Participation and Inclusivity

- **Explanation:** Ethical governance values respect for all voices, especially marginalised communities.
- **Impact:** Leads to more balanced and people-centred policies.
- **Example:** Community consultations before passing urban development laws.

9. Ensure Rule of Law

- **Explanation:** Ethical governance ensures laws are upheld impartially and fairly.
- **Impact:** Prevents misuse of legal power and promotes justice.

- **Example:** Holding both rich and poor accountable under the same legal framework.

10. Promote Long-Term Social and Environmental Responsibility

- **Explanation:** Ethics in governance push leaders to think beyond immediate benefits and consider future impacts.
- **Impact:** Supports sustainable development and generational equity.
- **Example:** Banning harmful chemicals in manufacturing to protect public health.

Common Core Values in Ethical Governance

- **Integrity:** Doing what is right, even when no one is watching.
- **Respect:** Acknowledging others' rights and opinions.
- **Honesty:** Being truthful and transparent.
- **Responsibility:** Owning up to actions and outcomes.
- **Impartiality:** Being fair and objective in decision-making.

9.1.2 Benefits of Ethical Practices for Individuals and Organisations

Ethical practices bring significant benefits to both individuals and organisations by fostering trust, enhancing reputation, ensuring legal compliance, and creating a positive, productive work environment. For individuals, ethics support personal integrity and professional growth, while for organisations, they lead to long-term success, employee loyalty, and public confidence.

For Individuals

1. Builds Personal Integrity

- Ethical individuals are seen as trustworthy and responsible.
- This helps in forming strong, reliable relationships with colleagues, clients, and leaders.
- Example: Refusing to falsify reports, even under pressure.

2. Enhances Professional Reputation

- Consistent ethical behaviour earns respect within an organisation or industry.
- A good reputation can open doors for networking and new opportunities.
- Example: Being known for fair leadership or transparent communication.

3. Promotes Career Growth

- Leaders often seek individuals who make principled decisions and act responsibly.
- Ethics can help one rise to supervisory or management roles.
- Example: Being chosen to lead a team due to demonstrated fairness and honesty.

4. Reduces Work-Related Stress

- Acting ethically avoids conflicts of conscience and guilt.
- It also minimises involvement in risky or questionable practices.
- Example: Not participating in office gossip or unethical shortcuts.

5. Supports Better Decision-Making

- Ethical principles act as a compass in complex or uncertain situations.
- This leads to more thoughtful and balanced decisions.
- Example: Refusing to cut safety corners to meet deadlines.

For Organisations

1. Improves Organisational Reputation

- Ethical companies gain positive public perception, customer trust, and media support.
- Reputation often influences market share and customer loyalty.
- Example: A clothing brand known for fair labour practices and transparency.

2. Increases Employee Loyalty and Retention

- Employees are more engaged and committed in ethical environments.
- This reduces recruitment and training costs due to lower turnover.
- Example: Staff staying longer because they feel valued and treated fairly.

3. Enhances Customer Trust and Satisfaction

- Customers support brands that align with their values and treat people fairly.
- Ethical marketing, honest pricing, and quality products build long-term relationships.
- Example: A tech company protecting customer data and privacy.

4. Reduces Legal and Regulatory Risks

- Ethical companies are less likely to face lawsuits, penalties, or bans.
- This protects profits and brand reputation.
- Example: Avoiding child labour or environmental violations.

5. Encourages a Positive Work Culture

- Ethics foster teamwork, open communication, and respect among employees.
- A healthy work environment leads to higher productivity and innovation.
- Example: An open-door policy where employees can raise concerns safely.

6. Supports Long-Term Success and Sustainability

- Ethical decisions may involve short-term sacrifices for long-term gains.
- Customers and investors prefer sustainable, principled companies.
- Example: Investing in eco-friendly production methods despite higher initial costs.

7. Attracts Investors and Business Partners

- Investors seek ethical companies to reduce risk and align with ESG (Environmental, Social, and Governance) goals.
- Ethical companies also find it easier to partner with reputable firms.
- Example: Gaining investment because of fair-trade certifications and green practices.

9.1.3 Legal, Regulatory, and Ethical Requirements in the Apparel Industry

The apparel industry, due to its global reach and labour-intensive nature, is highly scrutinised for its legal, regulatory, and ethical responsibilities. Companies that align their operations with these standards not only avoid legal consequences but also earn customer trust and a competitive advantage. The apparel industry must comply with a range of legal, regulatory, and ethical requirements to ensure safe working conditions, fair labour practices, environmental sustainability, and consumer protection. These requirements help promote responsible manufacturing, avoid legal penalties, and build public trust in brands and businesses.

The detailed analysis is given as follows:

1. Legal Requirements

These are laws established by governments to regulate business practices and protect stakeholders:

Labour Law Compliance

- Must comply with minimum wage laws, regulated work hours, and overtime pay.
- Violations can lead to lawsuits, fines, or factory shutdowns.
- Example: In Bangladesh, the government enforces minimum wage policies for garment workers, which are reviewed periodically.

Occupational Health & Safety (OHS)

- Factories must be safe: fire exits, clean water, proper lighting, ventilation, and machinery maintenance are mandatory.
- Example: After the 2013 Rana Plaza tragedy, Bangladesh and global brands introduced stricter OHS standards.

No Child or Forced Labour

- Companies must follow national and international labour standards, like the ILO conventions.
- Employing underage workers or bonded labour can damage brand reputation and lead to international sanctions.

Consumer Protection and Product Safety

- Garments must be safe and free from harmful substances like lead or azo dyes.
- Accurate labelling of fabric content, care instructions, and safety warnings is required by law in many countries.

2. Regulatory Requirements

These include government and international regulations designed to protect the environment, the economy, and consumers:

Environmental Compliance

- Rules cover water usage, chemical waste treatment, air emissions, and the use of dyes and finishing agents.
- Example: In India, textile units must obtain clearance from the State Pollution Control Boards.

Textile Labelling Regulations

- Mandatory labelling of fibre content (e.g., 100% cotton), country of origin, and wash care.
- Enforced by agencies like the U.S. Federal Trade Commission or the EU Textiles Regulation.

Trade and Import-Export Laws

- Comply with tariffs, trade quotas, and export documentation requirements.
- Non-compliance can lead to goods being seized or blocked at ports.

Waste Management and Chemical Handling

- Rules require safe storage and disposal of hazardous chemicals like dyes, solvents, and bleaches.
- Must follow Material Safety Data Sheet (MSDS) protocols and proper training for handling.

Certifications and Audits

- Companies must undergo social and environmental audits (e.g., WRAP, Sedex) to maintain compliance with buyer requirements.

3. Ethical Requirements

Ethical standards go beyond compliance—they reflect moral responsibility toward people and the planet.

Fair Labour and Human Rights

- Providing humane working conditions, fair wages, and freedom of association (i.e., the right to form unions).
- Global buyers now demand social compliance as part of their sourcing criteria.

Sustainable and Eco-Friendly Practices

- Use of organic cotton, recycled materials, waterless dyeing, and energy-efficient processes.
- Ethical brands like Patagonia or Stella McCartney lead by example in sustainable innovation.

Supply Chain Transparency

- Disclosing where and how garments are produced helps consumers make informed choices.
- Many brands are adopting blockchain and digital traceability tools.

Diversity and Inclusion

- Ethical practices require non-discrimination in hiring, pay, and promotions.
- Gender equity and equal opportunities are increasingly scrutinised in supplier factories.

Corporate Social Responsibility (CSR)

- Includes initiatives like worker education, healthcare, community welfare, and environmental restoration.
- Helps improve brand image and builds local goodwill.

Consequences of Non-Compliance

- **Legal:** Fines, factory closures, bans on exports, or imprisonment.
- **Reputational:** Consumer boycotts, negative press, and loss of partnerships.
- **Financial:** Cancelled orders, supplier blacklisting, and investor withdrawal.

9.1.4 Country and Customer-specific Regulations and Their Importance

Country and customer-specific regulations are tailored rules and standards that vary based on a country's legal framework or individual customer (brand) requirements. Adhering to these regulations is crucial in the apparel industry to ensure market access, maintain customer relationships, meet legal obligations, and uphold brand reputation.

Country-Specific Regulations

- **Import/Export Compliance**
 - Apparel manufacturers must meet each country's customs, duties, and trade agreement rules.
 - Importance: Avoids shipment delays, penalties, or goods rejection.
- **Labour Laws and Workplace Standards**
 - Varying laws regarding minimum wage, working hours, leave, and safety.
 - Importance: Ensures legal operation in the manufacturing country.
- **Environmental Protection Laws**
 - Countries may require eco-friendly waste disposal, restricted chemical use, or emissions control.
 - Importance: Avoids fines and supports environmental responsibility.
- **Product Safety and Labelling Requirements**
 - Countries like the U.S. and the EU require specific labels (e.g., fibre content, origin, care instructions).
 - Importance: Ensures consumer safety and product legality.
- **Prohibition of Child/Forced Labour**
 - Enforced strictly in many countries, often tied to global trade agreements.
 - Importance: Maintains trade eligibility and ethical standing.

Customer-Specific Regulations (Brand Requirements)

- **Code of Conduct Compliance**
 - Many brands have their own supplier code of conduct regarding wages, working conditions, and the environment.
 - Importance: Required for business continuation and contract renewal.
- **Product Quality and Safety Standards**
 - Specific tolerance levels, material safety, and construction techniques may be mandated.
 - Importance: Prevents product returns and maintains brand trust.
- **Sustainability and Ethical Sourcing**
 - Brands may demand organic materials, fair trade sourcing, or carbon footprint tracking.
 - Importance: Aligns with brand image and meets customer expectations.

- **Social and Environmental Audits**
 - Customers may require regular third-party audits for compliance.
 - Importance: Non-compliance can lead to order cancellations.
- **Restricted Substance Lists (RSL)**
 - Customers may provide a list of banned dyes, finishes, or chemicals.
 - Importance: Ensures product safety and global compliance.

Why These Regulations Matter

- Protect access to international markets
- Enhance customer satisfaction and loyalty
- Reduce legal and financial risks
- Promote ethical, sustainable operations
- Support brand reputation and competitiveness

9.1.5 Customer-specific Requirements in the Work Process

Customer-specific requirements in the apparel industry refer to tailored standards, preferences, and compliance expectations set by individual buyers or brands. These requirements influence how products are designed, manufactured, inspected, and delivered. Meeting them is essential to maintain quality, fulfil contracts, and ensure customer satisfaction.

The customer-specific requirements in the work process are mentioned below:

Product Design & Development

- **Adhere to Brand Guidelines:** Follow customer-provided specifications for fabric type, colour, trims, patterns, and fit.
- **Customisation and Style Preferences:** Integrate custom logos, labels, tags, or packaging formats requested by the client.

Material Sourcing

- **Use Approved Suppliers:** Source raw materials only from customer-approved vendors or sustainable sources.
- **Compliance with Restricted Substance List (RSL):** Ensure fabrics and chemicals meet the customer's banned/restricted substance standards.

Production Standards

- **Maintain Tolerances and Measurements:** Adhere strictly to size specifications and tolerances set by the client.
- **Workmanship Quality:** Follow defined quality control measures to ensure stitching, finishing, and construction meet expectations.

Documentation & Testing

- **Provide Technical Documentation:** Submit required documents such as Bill of Materials (BOM), tech packs, and safety data.
- **Conduct Lab Testing:** Perform fabric performance tests (shrinkage, colourfastness) as per customer protocols.

Quality Control & Inspection

- **Use Customer Inspection Checklists:** Inspect finished goods based on buyer-specific criteria.
- **Third-Party Audit Compliance:** Coordinate with customer-nominated inspection agencies for quality or ethical audits.

Packaging & Shipping

- **Custom Packaging Instructions:** Pack, tag, and label items as per the client's retail or warehouse standards.
- **On-Time Delivery Schedules:** Follow customer-set timelines and shipment guidelines strictly.

Communication & Feedback

- **Report Progress Regularly:** Provide order updates and sampling status or issue escalation as per the buyer's process.
- **Act on Feedback Promptly:** Quickly respond to customer reviews, revisions, or complaints.

Why This Matters

- Builds long-term relationships with buyers
- Ensures consistent repeat orders
- Reduces product returns or rejections
- Enhances brand alignment and reputation
- Boosts customer satisfaction and trust

9.1.6 Reporting Procedures for Deviations and Regulatory Concerns

Reporting procedures for deviations and regulatory concerns in the apparel industry are essential to maintain compliance, ensure product quality, and prevent legal or ethical violations. These procedures outline how employees should identify, document, and escalate any non-conformities or breaches in company or legal standards.

The reporting procedures are mentioned as follows:

1. Identification of Deviation

- Recognise any deviation from company policies, production standards, labour laws, environmental rules, or safety protocols.
- Examples include incorrect labelling, use of unauthorised chemicals, unsafe machinery, or excessive work hours.

2. Documentation

- Record the issue clearly with details such as:
 - Date and time of occurrence
 - Nature of the deviation
 - Location (department, section)
 - Names of people involved
 - Supporting evidence (photos, reports, samples)

3. Immediate Reporting to Supervisor

- Inform the line manager or supervisor as soon as the issue is detected.
- Use verbal reporting for urgent issues, followed by written documentation.

4. Submission of Written Report

- Fill out a deviation or incident report form (as per company policy).
- Submit it to the Quality Assurance (QA) department, Compliance Officer, or Safety Officer.

5. Investigation and Root Cause Analysis

- The concerned department investigates the deviation.
- Root cause is identified using methods like the 5 Whys or Fishbone Diagram.

6. Corrective and Preventive Action (CAPA)

- Develop and implement corrective actions to fix the immediate issue.
- Create preventive measures to avoid future recurrence.

7. Regulatory Notification (if required)

- For serious violations, notify regulatory bodies (e.g., labour departments, environmental agencies).
- This is often done by a senior compliance officer or legal representative.

8. Follow-Up and Closure

- Monitor the implementation of corrective actions.
- Close the report only after verifying the issue has been resolved effectively.

9. Record Keeping

- Maintain records of all deviations and corrective actions.
- Use these for audits, future training, and continuous improvement.

Why It Matters

- Ensures legal and ethical compliance
- Prevents product recalls and customer dissatisfaction
- Protects worker health and safety
- Reduces environmental impact
- Builds a culture of accountability and transparency

9.1.7 Limits of Personal Responsibility in Organisational Practices

In organisational practices, personal responsibility involves being accountable for one's own actions, decisions, and performance within assigned duties. However, there are limits to this responsibility — individuals cannot be held accountable for factors beyond their control, such as organisational policies, leadership decisions, or systemic failures. Understanding these boundaries is essential to balance individual accountability with fair expectations.

The limits of personal responsibility in organisational practices are discussed as follows:

1. Scope of Job Role

- **Responsible for:** Tasks and duties are clearly outlined in the job description.
- **Not responsible for:** Functions assigned to other departments or roles.

2. Policies and Procedures

- **Responsible for:** Following established policies and procedures.
- **Not responsible for:** Creating or approving those policies unless part of your role.

3. Knowledge and Training

- **Responsible for:** Performing duties to the best of one's knowledge and skill level.
- **Not responsible for:** Mistakes due to lack of proper training or unclear instructions.

4. Access to Resources

- **Responsible for:** Using available tools and resources efficiently.
- **Not responsible for:** Outcomes affected by unavailable or faulty equipment.

5. Decision-Making Authority

- **Responsible for:** Decisions within your level of authority.
- **Not responsible for:** Higher-level decisions made by management or leadership.

6. Team Dependencies

- **Responsible for:** Contributing effectively to team goals.
- **Not solely responsible for:** Team failure due to another member's non-performance.

7. Ethical and Legal Standards

- **Always responsible for:** Acting ethically and within the law, regardless of role.
- **Not excused by:** Instructions from superiors that breach ethical or legal standards.

8. Reporting and Escalation

- **Responsible for:** Reporting issues or deviations observed.
- **Not responsible for:** Taking action beyond one's authority after reporting.

9.1.8 Clarifications on Policies and Procedures from Supervisors

Clarifying policies and procedures with supervisors is essential to ensure that employees understand their responsibilities, follow correct processes, and meet organisational expectations. Open communication with supervisors helps prevent mistakes, ensures compliance, and improves overall performance.

The clarifications on policies and procedures from supervisors are mentioned as follows:

1. Seek Guidance Proactively

- Ask questions when instructions or policies are unclear.
- Clarify unfamiliar terms, processes, or documentation requirements.

2. Understand Policy Application

- Discuss how specific policies apply to your role or tasks.
- Confirm how to handle exceptions or special cases.

3. Verify Procedure Steps

- Request step-by-step guidance for complex tasks or procedures.
- Ensure you understand the correct sequence of actions.

4. Attend Training and Briefings

- Participate in orientation sessions and policy updates led by supervisors.
- Take notes and ask follow-up questions if anything remains unclear.

5. Confirm Updates or Changes

- Regularly check with supervisors about changes in procedures, regulations, or company rules.
- Understand how updates affect your daily responsibilities.

6. Encourage Two-Way Communication

- Provide feedback on unclear or outdated procedures.
- Suggest improvements based on frontline experiences.

7. Avoid Assumptions

- Never guess the right action—always confirm with a supervisor if unsure.
- Mistakes from assumptions can lead to non-compliance or safety risks.

8. Clarify Accountability

- Understand what you are personally responsible for and what falls under team or managerial responsibility.

Why It's Important

- Reduces errors and rework
- Ensures compliance with legal and organisational standards
- Promotes a safe and effective workplace
- Builds trust and communication between staff and supervisors
- Supports continuous improvement

UNIT 9.2: Resource Optimisation and Energy Conservation

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the importance of efficient resource usage in the workplace.
2. Describe energy conservation methods in the apparel sector.
3. Discuss the significance of energy efficiency and sustainable practices.
4. Illustrate techniques to minimise wastage in daily operations.
5. List steps for switching off machines and equipment when not in use.
6. Analyse greening solutions and their impact on sustainable work practices.
7. Assess appropriate handling and storage methods for waste materials in the apparel sector.

9.2.1 Importance of Efficient Resource Usage in the Workplace

Efficient resource usage is vital for organisations to optimise performance, reduce unnecessary expenses, and support long-term sustainability. It involves smart management of physical materials, time, finances, energy, and human capital. Efficient use ensures resources are available when needed, prevents waste, and improves overall workplace effectiveness.

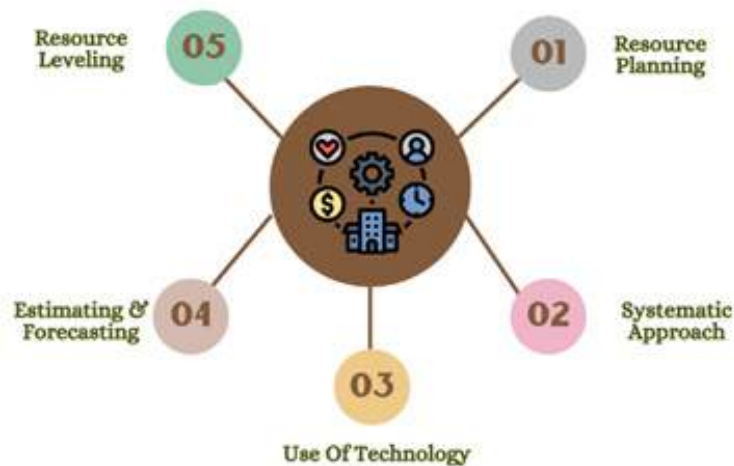


Fig. 9.2.1: Resource Usage in the Workplace

The importance of efficient usage of resources within the workplace is described as follows:

1. Maximises Productivity

- Efficient use of resources means employees have the right tools, materials, and information to perform their jobs without delays.
- Example: Proper inventory management ensures production lines never halt due to missing parts.

2. Reduces Operational Costs

- Avoiding waste in materials, energy, and time cuts unnecessary spending.
- Example: Turning off unused equipment reduces electricity bills; ordering supplies in bulk avoids frequent shipping costs.

3. Supports Sustainability

- Responsible use of resources lowers environmental impact by reducing waste and conserving energy.
- Example: Implementing paperless workflows saves trees and reduces disposal costs.

4. Improves Quality of Work

- Ensuring resources are available and used correctly reduces mistakes and rework.
- Example: Using calibrated tools maintains product quality and prevents defects.

5. Enhances Employee Satisfaction

- When resources like equipment, information, or support are adequate, employees feel valued and less stressed.
- Example: A well-stocked office prevents frustration and allows employees to focus on their tasks.

6. Strengthens Organisational Reputation

- Efficient resource use signals professionalism and responsibility to customers, partners, and regulatory bodies.
- Example: Companies recognised for green initiatives attract eco-conscious clients and investors.

7. Facilitates Compliance

- Many regulations require organisations to manage resources efficiently, such as waste disposal laws or labour regulations.
- Example: Proper scheduling prevents employee overtime violations and related fines.

8. Encourages Innovation

- Resource constraints often spark creative solutions and process improvements.
- Example: A team facing limited materials develops a new method that uses fewer inputs without sacrificing quality.

The importance specifically in the apparel sector is described as follows:

- **Reduces Material Waste:** Efficient fabric cutting and pattern making minimise leftover scraps, lowering costs and environmental impact.
- **Lowers Production Costs:** Optimal use of textiles, trims, and labour reduces expenses and increases profit margins.
- **Improves Manufacturing Speed:** Streamlined resource allocation ensures smoother workflow and faster turnaround times.
- **Supports Sustainable Practices:** Reducing water, energy, and chemical usage in textile processing lessens the environmental footprint.
- **Enhances Product Quality:** Proper use of high-quality materials and controlled processes results in better finished garments.
- **Promotes Ethical Labour Use:** Efficient workforce planning prevents overwork and improves employee well-being.
- **Meets Regulatory and Industry Standards:** Proper resource management ensures compliance with environmental and labour laws.

- **Increases Competitiveness:** Cost savings and sustainability credentials improve brand reputation and market position.
- **Encourages Innovation:** Resource constraints drive the development of eco-friendly fabrics and efficient manufacturing technologies.
- **Reduces Inventory Excess:** Efficient planning prevents overproduction and excess stock, lowering storage costs and waste.

9.2.2 Energy Conservation Methods

Energy conservation in the apparel sector involves implementing practices and technologies to reduce energy consumption during production processes, facility operations, and utility usage. These methods improve operational efficiency, lower production costs, and minimise the industry's environmental footprint.

The energy conservation methods are described as follows:

1. Use Energy-Efficient Machinery

- Modern sewing machines, dryers, and pressing equipment consume less power while maintaining or improving output.
- Example: Upgrading to inverter-driven motors reduces energy use during startup and operation.

2. Implement LED Lighting

- LED lights use up to 75% less energy and last longer than incandescent or fluorescent bulbs.
- Example: Switching factory floor lighting to LEDs can reduce lighting costs significantly and improve light quality.

3. Optimise Production Scheduling

- Grouping similar production tasks and running machines continuously during working hours avoids frequent power cycling, which wastes energy.
- Example: Scheduling high-energy processes during off-peak hours to benefit from lower electricity rates.

4. Employ Renewable Energy Sources

- Installing solar panels or wind turbines can supply a portion of the factory's energy needs, reducing reliance on fossil fuels.
- Example: A garment factory installs rooftop solar panels that provide 30% of its electricity needs.

5. Maintain Equipment Regularly

- Dust buildup, worn parts, and poor lubrication cause machines to work harder and consume more energy.
- Example: Regularly cleaning and lubricating pressing machines reduces power consumption and extends machine life.

6. Use Heat Recovery Systems

- Heat produced by dryers or boilers can be captured and reused to heat water or air elsewhere in the plant.
- Example: Waste heat from a drying line is redirected to preheat water for washing processes.

7. Encourage Employee Awareness

- Training workers to switch off machines and lights when not in use reduces unnecessary energy consumption.
- Example: Visual reminders and energy-saving competitions motivate employees to save energy.

8. Optimise HVAC Systems

- Using energy-efficient HVAC units with programmable thermostats and zoning reduces the power used for climate control.
- Example: Installing smart sensors that adjust ventilation based on occupancy improves energy efficiency.

9. Implement Automated Controls and Sensors

- Motion sensors can automatically switch off lights and machinery when areas are unoccupied.
- Example: Installing occupancy sensors in storage and office areas cuts down wasted energy.

10. Reduce Water Heating Energy

- Dyeing and washing processes often require heated water. Using energy-efficient boilers or alternative heating methods saves fuel.
- Example: Switching to solar water heaters for some washing stages reduces reliance on gas-fired boilers.

9.2.3 Significance of Energy Efficiency and Sustainable Practices

Energy efficiency and sustainability in the apparel industry are critical not only for reducing the sector's heavy environmental footprint but also for improving economic performance, regulatory compliance, and brand value. The apparel sector is resource-intensive—consuming large amounts of water, energy, and chemicals—so adopting sustainable practices can drive positive change across the entire supply chain, from raw material sourcing to production, distribution, and end-of-life garment management.



Fig. 9.2.2: Energy Efficiency and Sustainable Practices

The significance is discussed below:

1. Reduces Environmental Impact

- The apparel industry contributes significantly to greenhouse gas emissions, water pollution, and landfill waste.
- Energy-efficient manufacturing processes lower electricity and fuel consumption, directly cutting carbon emissions.

- Sustainable practices, such as using organic fibres or recycled materials, reduce environmental degradation.
- Example: Brands reducing water use in dyeing processes lessen pollution and conserve scarce water resources.

2. Lower Operational Costs

- Efficient resource use—energy, water, and raw materials—lowers utility bills and waste disposal costs.
- Investing in renewable energy or energy-saving technologies reduces long-term expenses.
- Example: Factories installing solar panels save on electricity costs while improving sustainability credentials.

3. Ensures Regulatory Compliance

- Governments and international bodies impose stricter environmental and labour regulations on apparel manufacturing.
- Non-compliance risks fines, production shutdowns, and damage to reputation.
- Energy-efficient and sustainable operations help meet legal standards and avoid penalties.
- Example: Compliance with wastewater discharge limits reduces legal risks and environmental harm.

4. Meets Growing Consumer Demand

- Shoppers increasingly prefer brands committed to ethical and sustainable production.
- Transparency in sustainability initiatives can drive sales and customer loyalty.
- Example: Eco-labels and certifications (e.g., GOTS, Fair Trade) appeal to conscious consumers.

5. Enhances Brand Reputation

- Demonstrating a genuine commitment to sustainability builds trust with customers, investors, and partners.
- Positive brand image attracts premium pricing and strategic collaborations.
- Example: Companies publishing annual sustainability reports show accountability and leadership.

6. Drives Innovation

- Sustainability challenges stimulate innovation in materials, processes, and business models.
- Examples include developing biodegradable fabrics, closed-loop recycling, and digital production technologies that reduce waste.
- Example: Brands adopting 3D knitting technology reduce fabric offcuts dramatically.

7. Supports Social Responsibility

- Sustainable practices often include fair labour, safe working conditions, and community engagement.
- This holistic approach strengthens social license to operate and aligns with global ethical standards.
- Example: Brands investing in worker welfare programs improve morale and productivity.

8. Increases Competitive Advantage

- Sustainability is a differentiator in a crowded marketplace, helping brands stand out.
- Early adopters can capture market share and influence industry standards.
- Example: Apparel companies with eco-friendly product lines attract new customer segments.

9. Mitigates Supply Chain Risks

- Efficient and sustainable resource management reduces vulnerability to raw material shortages, price volatility, and climate change impacts.
- Strengthening supply chain resilience ensures business continuity.
- Example: Using recycled fibres reduces dependency on virgin cotton, which is subject to weather and market fluctuations.

9.2.4 Techniques to Minimise Wastage in Daily Operations

Reducing waste in apparel production not only lowers operational costs but also enhances product quality and contributes to environmental sustainability. Wastage in the industry can stem from inefficient cutting, overproduction, quality defects, and poor process control. Applying structured waste-reduction strategies across each stage of production can significantly improve overall efficiency.



Fig. 9.2.3: Techniques to Minimise Wastage

The techniques are discussed as follows:

1. Efficient Fabric Cutting

- **What it involves:** Using digital or automatic cutting machines with nesting software to maximise fabric utilisation.
- **Benefits:** Reduces off-cuts and scrap material.
- **Example:** A factory using CAD software can increase fabric yield by up to 10%.

2. Implement Lean Manufacturing

- **What it involves:** Applying lean tools like 5S (Sort, Set in Order, Shine, Standardize, Sustain), Just-in-Time (JIT), and Kaizen for continuous improvement.

- **Benefits:** Cuts overproduction, excess inventory, and inefficient motion.
- **Example:** Reducing unnecessary handling of garments lowers the risk of damage and delays.

3. Use Fabric Recycling and Reuse

- **What it involves:** Collecting leftover or scrap fabric and repurposing it into patches, accessories, linings, or test swatches.
- **Benefits:** Reduces raw material waste and supports circular production.
- **Example:** Denim off-cuts are reused for pockets or inside facings.

4. Improve Pattern Design

- **What it involves:** Designing patterns that fit tightly together and reduce gaps in the layout during cutting.
- **Benefits:** Reduces the total fabric required per garment.
- **Example:** Changing the grain direction or nesting similar shapes together.

5. Conduct Quality Checks at Each Stage

- **What it involves:** Inspecting materials and components at various points rather than just final QC.
- **Benefits:** Reduces full-garment rework or rejection.
- **Example:** Checking stitching quality mid-process catches needle breaks early.

6. Train Staff on Waste Reduction Practices

- **What it involves:** Regular training for operators on careful material handling, accurate cutting, and correct machine use.
- **Benefits:** Fewer errors and material spoilage.
- **Example:** Stitchers are trained to follow standard seam allowances to avoid trimming waste.

7. Maintain Machinery Properly

- **What it involves:** Regular lubrication, calibration, and part replacement of machines like cutters, sewing machines, and presses.
- **Benefits:** Avoids miscuts, uneven seams, and rework.
- **Example:** A misaligned blade in a cutting machine can cause large amounts of unusable fabric waste.

8. Track Material Usage and Losses

- **What it involves:** Monitoring fabric input and output at each station to identify where the loss is occurring.
- **Benefits:** Enables data-driven decisions and tighter inventory control.
- **Example:** Identifying that 3% of fabric is being lost due to inaccurate cutting helps target improvements.

9. Standardise Work Processes

- **What it involves:** Defining and documenting best practices for each operation.
- **Benefits:** Reduces variability and ensures consistent product quality.
- **Example:** All operators use the same method for attaching zippers to avoid waste due to incorrect positioning.

10. Encourage Worker Feedback

- **What it involves:** Creating a culture where workers suggest improvements or report waste issues.
- **Benefits:** Practical insights from the floor often lead to effective changes.
- **Example:** A sewing operator may suggest a layout change that improves table space usage and reduces spillage.

9.2.5 Steps for Switching off Machines and Equipment

Switching off machines and equipment when not in use is a simple but essential practice to conserve energy, reduce wear and tear, and improve workplace safety. Following a structured process ensures that machines are shut down safely and efficiently without interrupting workflow or damaging equipment.



Fig. 9.2.4: Switching Off Machines and Equipment

The steps are mentioned as follows:

1. **Finish Current Operation:** Ensure that the ongoing task or production cycle is complete to avoid interruptions or material damage.
2. **Turn Off Machine Controls Properly:** Use the designated switch or shutdown procedure specific to each machine or equipment type.
3. **Unplug or Isolate Power Source (if required):** Disconnect from the power supply or isolate the energy source as per safety guidelines.
4. **Clean the Machine Surface:** Remove dust, fabric lint, or debris from the machine to maintain hygiene and prevent future malfunction.
5. **Check for Maintenance Needs:** Inspect for any wear or unusual noise and report issues before shutdown if necessary.
6. **Notify Supervisor or Log the Shutdown:** Inform the appropriate personnel or record the shutdown in a logbook if required by procedure.
7. **Secure Moving Parts:** Ensure all moving parts are in their resting position and machine covers are closed or locked.
8. **Store Tools and Materials Safely:** Return any tools, fabric, or materials used with the machine to their proper storage areas.
9. **Ensure Area is Tidy and Safe:** Clean the surrounding work area to maintain safety and organisation.
10. **Post a "Machine Off" Sign (if applicable):** For shared or large equipment, display a sign or tag indicating the machine is shut down.

9.2.6 Greening Solutions and Their Impact on Sustainable Work Practices

Greening solutions refer to environmentally friendly strategies implemented in the workplace to reduce ecological impact and promote sustainability. In the apparel industry, these solutions not only help conserve resources and reduce pollution but also enhance brand image, meet compliance standards, and attract eco-conscious consumers.

The solutions and their impact are discussed as follows:

- **Use of Renewable Energy Sources**
 - **Impact:** Reduces dependency on fossil fuels, lowers carbon emissions, and cuts energy costs over time.
 - **Example:** Installing solar panels on factory rooftops.
- **Water Conservation Techniques**
 - **Impact:** Minimises water waste, especially in dyeing and washing processes, preserving natural resources.
 - **Example:** Using waterless dyeing technology or recycling water within processes.
- **Energy-Efficient Machinery and Equipment**
 - **Impact:** Lowers electricity consumption, reduces operational costs, and decreases heat and noise pollution.
 - **Example:** Using inverter-driven motors and automatic shutdown features.
- **Eco-Friendly Raw Materials**
 - **Impact:** Reduces environmental impact of production, improves product biodegradability, and appeals to green markets.
 - **Example:** Organic cotton, recycled polyester, or plant-based dyes.
- **Waste Management and Recycling Systems**
 - **Impact:** Minimises landfill waste, recovers usable materials, and promotes a circular economy.
 - **Example:** Segregating fabric waste for recycling or reusing for accessories.
- **Sustainable Packaging**
 - **Impact:** Reduces plastic use, supports biodegradability, and enhances brand image.
 - **Example:** Using paper-based or compostable garment bags.
- **Green Building Design**
 - **Impact:** Improves energy efficiency, reduces utility costs, and enhances working conditions.
 - **Example:** Natural lighting, ventilation systems, and insulation in production areas.
- **Employee Engagement in Green Practices**
 - **Impact:** Builds a culture of sustainability, improves compliance, and encourages continuous improvement.
 - **Example:** Training programs and incentives for reducing energy or material waste.
- **Digital Sampling and Design**
 - **Impact:** Cuts down on physical sampling, saving fabric, water, dyes, and shipping energy.
 - **Example:** Using 3D design software for virtual garment samples.
- **Environmental Certifications and Compliance**
 - **Impact:** Demonstrates accountability, attracts eco-conscious buyers, and ensures adherence to green regulations.
 - **Example:** GOTS (Global Organic Textile Standard), OEKO-TEX®, and ISO 14001 certification.

9.2.7 Appropriate Handling and Storage Methods for Waste Materials in the Apparel Sector

Proper handling and storage of waste materials in the apparel sector are essential for maintaining a safe, clean, and sustainable work environment. It reduces environmental pollution, ensures compliance with waste management regulations, and supports recycling and reuse efforts. Segregating, labelling, and storing waste appropriately also minimises health and fire risks.



Fig. 9.2.5: Handling and Storage Methods for Waste Materials in the Apparel Sector

1. Segregate Waste by Type

- **Details:** Separate waste materials into different categories:
 - **Fabric scraps:** cotton, synthetic, blended
 - **Packaging waste:** paper, cardboard, plastic
 - **Hazardous waste:** dyes, chemicals, solvents, oils
 - **E-waste:** used machine parts, electronic tools
- **Why it matters:** Proper segregation helps in recycling, reduces environmental contamination, and ensures safe disposal.

2. Use Clearly Labelled Bins or Containers

- **Details:** Provide dedicated, colour-coded bins with clear labels for each waste category.
- **Red for hazardous, green for recyclables, blue for general waste, and yellow for fabric.**
- **Why it matters:** Prevents cross-contamination and encourages compliance among workers.

3. Store Hazardous Waste Safely

- **Details:** Use sealed, corrosion-resistant containers and store them in isolated, ventilated areas.
- **Why it matters:** Protects workers from exposure and reduces fire, chemical spills, or environmental risks.

4. Designate Waste Storage Areas

- **Details:** Allocate specific, marked spaces for waste holding away from production zones.
- **Should be under a roof, on non-porous surfaces, and free from clutter.**
- **Why it matters:** Maintains cleanliness and helps during audits or inspections.

5. Minimise On-Site Waste Accumulation

- **Details:** Schedule regular collection/disposal to prevent waste build-up.
- **Frequency depends on the volume and type of waste generated.**
- **Why it matters:** Reduces odours, pest infestations, and fire hazards.

6. Ensure Proper Handling by Trained Staff

- **Details:** Train employees on:
 - Identifying waste types
 - Safe lifting and transport
 - Handling procedures for hazardous substances
- **Why it matters:** Avoids injuries, mishandling, and legal liabilities.

7. Label and Date Stored Waste Materials

- **Details:** Attach tags or labels indicating:
 - Type of waste
 - Date of storage
 - Responsible department or person
- **Why it matters:** Ensures traceability, helps during disposal audits, and improves inventory control.

8. Use PPE When Handling Waste

- **Details:** Provide gloves, safety glasses, masks, and aprons to waste-handling staff.
- **Why it matters:** Minimises exposure to dust, chemicals, and sharp objects.

9. Partner with Certified Waste Management Vendors

- **Details:** Choose vendors who are licensed to handle and recycle textile and hazardous waste.
- **Why it matters:** Ensures environmentally sound disposal and helps meet regulatory standards.

10. Keep Records of Waste Disposal

- **Details:** Maintain logs of:
 - Quantity and type of waste generated
 - Disposal method and date
 - Vendor details and certificates
- **Why it matters:** Critical for audits, sustainability reporting, and compliance with environmental laws.

UNIT 9.3: Organisational Policies, Standards, and Collaboration

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the importance of punctuality and attendance at work.
2. Describe organisational policies and procedures within personal responsibility.
3. Illustrate ways to support supervisors and team members in policy enforcement.
4. Apply organisational standards, procedures, and regulations in daily tasks.
5. Describe work functions in line with legal and organisational guidelines.
6. Identify and report deviations from regulatory requirements.
7. Discuss clarification procedures for organisational policies and guidelines.

9.3.1 Importance of Punctuality and Attendance at Work

Punctuality and regular attendance are fundamental workplace expectations that reflect an employee's reliability, discipline, and respect for organisational norms. These traits are especially important in environments where teamwork, customer service, or time-sensitive tasks are essential, such as in logistics, export documentation, manufacturing, or service sectors.

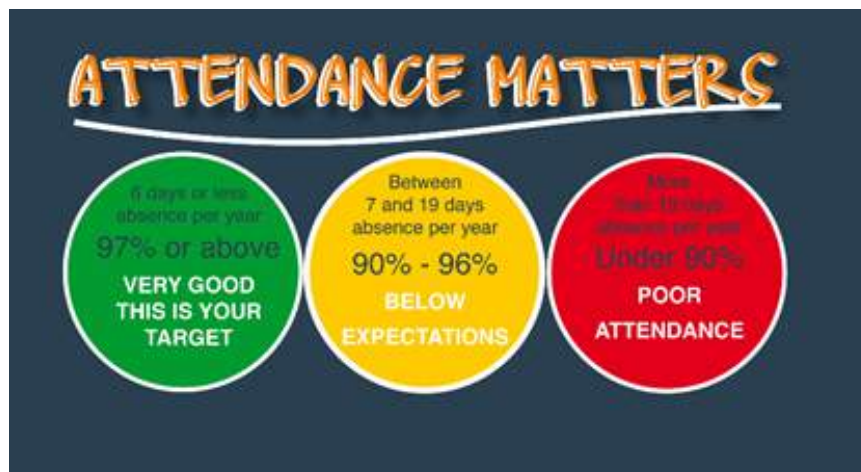


Fig. 9.3.1: Punctuality and Attendance

When employees are punctual and present consistently:

- Projects progress without interruption.
- Meetings start and end on time, improving efficiency.
- Clients receive timely responses, enhancing the company's reputation.
- Workloads are balanced fairly, preventing burnout and conflict.

Organisations often track attendance closely using biometric systems, timesheets, or HRMS platforms, linking it to performance assessments, salary processing, or disciplinary action.

The importance of punctuality and attendance is mentioned as follows:

- **Improves Overall Efficiency:** Regular and timely attendance allows the day's tasks to begin as scheduled, ensuring all operations run smoothly and deadlines are met.
- **Promotes Discipline and Accountability:** Being punctual reflects a strong work ethic and shows that an employee takes their responsibilities seriously.
- **Supports Team Morale and Fairness:** When all members are on time and present, no one is unfairly burdened with extra work, promoting a sense of equality and team spirit.
- **Enhances Career Prospects:** Punctual and reliable employees are often favoured for promotions, appraisals, and leadership roles due to their dependable nature.
- **Strengthens Employer-Employee Relations:** Organisations value dependable staff and are more likely to invest in training, mentoring, and long-term career development for those with good attendance.
- **Contributes to Organisational Reputation:** A workforce that is punctual and consistent helps build a reliable brand image, especially in client-facing or time-sensitive sectors like exports and logistics.

9.3.2 Organisational Policies and Procedures within Personal Responsibility

Organisational policies and procedures provide a structured framework for employees to understand their roles, responsibilities, and expectations within the workplace. These guidelines promote consistency, fairness, professionalism, and legal compliance across all departments. When it comes to personal responsibility, such policies ensure that each employee is accountable for their behaviour, decisions, work output, and interactions with others.



Fig. 9.3.2: Social Responsibility

These policies are often included in employee handbooks, codes of conduct, onboarding programs, or HR portals. Following them not only contributes to a respectful and productive work environment but also protects the organisation from legal risks and reputational damage.

Employees are expected to internalise these policies and apply them in their day-to-day roles. Failure to comply may lead to disciplinary action, performance reviews, or even termination, depending on the severity of the breach.

The organisational policies and procedures within personal responsibility are discussed as follows:

- **Code of Conduct and Ethics:** Employees must behave professionally, treat others respectfully, avoid discrimination or harassment, and uphold the organisation's core values and mission.
- **Attendance, Punctuality, and Leave Policies:** Personal responsibility includes being on time, following proper leave application procedures, and informing supervisors in case of emergencies or delays.
- **Confidentiality and Data Security:** Individuals are expected to protect sensitive data, such as client details, financial information, or internal strategies, and not share it with unauthorised persons.
- **Workplace Safety and Health Practices:** Employees must follow safety rules, use protective equipment if required, and report any unsafe conditions or incidents immediately to ensure a safe work environment.
- **Performance Expectations:** Personal responsibility includes completing tasks with accuracy and within deadlines, being proactive, and taking ownership of mistakes while working to correct them.
- **Use of Company Property and Resources:** Staff must use office equipment, internet, emails, and supplies responsibly and for official purposes only, avoiding misuse or wastage.
- **Compliance with Legal and Industry Regulations:** Employees involved in regulated areas (e.g., exports, finance, HR) must understand and comply with legal standards such as anti-corruption laws, customs regulations, and labour laws.
- **Communication and Conflict Resolution:** Staff should communicate clearly, report issues constructively, and follow formal channels for grievances instead of spreading rumours or engaging in negative behaviour.
- **Disciplinary and Grievance Procedures:** Every employee should be aware of how misconduct is addressed and how they can raise concerns if they feel unfairly treated or witness violations.
- **Training and Development Responsibilities:** Employees are expected to participate in mandatory training, keep their skills updated, and contribute to continuous improvement efforts within the organisation.

9.3.3 Supporting Supervisors and Team Members in Policy Enforcement

Supporting policy enforcement is about building a shared understanding, ensuring consistent application, and fostering a culture of accountability. Supervisors need authority, training, and backing to lead, while team members need clarity, involvement, and support to comply. Furthermore, supporting supervisors and team members in policy enforcement involves providing clear guidance, tools, training, and consistent leadership. This ensures policies are understood, applied fairly, and integrated into daily operations without creating friction or confusion.

Ways to Support Supervisors in Policy Enforcement

- **Clear and Accessible Policy Documentation:** Ensure all policies are written in plain language, regularly updated, and housed in a central, easy-to-access location (e.g., intranet, handbook).
- **Training and Development:** Offer initial and ongoing training to help supervisors interpret and enforce policies correctly. Include soft skills training (e.g., conflict resolution, coaching) for addressing non-compliance.
- **Consistent Messaging Tools:** Provide resources like policy briefs, talking points, or slide decks to help supervisors communicate policies confidently and uniformly to their teams.

- **Empowerment and Autonomy:** Give supervisors the authority to make decisions and enforce rules within defined boundaries without excessive red tape or fear of being undermined.
- **Leadership Support During Challenges:** When pushback or conflict arises, supervisors should have backup from HR or upper management to resolve issues, enforce consequences, or mediate disputes.
- **Feedback Channels:** Enable supervisors to share on-the-ground feedback about policy effectiveness, confusion points, or unintended consequences, so improvements can be made collaboratively.
- **Consistency in Enforcement:** Ensure enforcement is standardised across departments to avoid perceptions of favouritism or inconsistency, which can undermine authority.

Ways to Support Team Members in Policy Enforcement

- **Thorough Onboarding:** Include policy education as part of onboarding. New hires should clearly understand key policies (e.g., attendance, safety, conduct) and their rationale.
- **Policy Education Through Multiple Formats:** Reinforce policies through videos, posters, newsletters, and workshops—not just documents—to suit different learning styles.
- **Real-Life Scenarios and Role Plays:** Use case studies or role-plays to show what correct and incorrect policy adherence looks like in practice. This aids retention and reduces ambiguity.
- **Encourage Open Dialogue:** Foster an environment where team members can ask questions or raise concerns about policies without fear of judgment or reprisal.
- **Simplify Compliance:** Make it easy to follow policies by streamlining procedures (e.g., simple time-off request processes, digital forms, clear escalation steps).
- **Recognise and Reward Compliance:** Publicly acknowledge teams or individuals who consistently follow policies. Positive reinforcement builds a culture of adherence.
- **Build Ownership Through Involvement:** When appropriate, involve staff in the creation or revision of policies. This builds buy-in and makes enforcement feel less top-down.
- **Provide Access to Support Services:** Offer access to HR, employee assistance programs (EAPs), or grievance systems to help employees deal with situations that may hinder compliance.

9.3.4 Organisational Standards, Procedures, and Regulations in Daily Tasks

Applying organisational standards, procedures, and regulations in daily work helps ensure that tasks are completed correctly, ethically, and in line with legal and professional requirements. This improves productivity, promotes safety, reduces risk, and reinforces the organisation's reputation and accountability.

The detailed application is discussed as follows:

1. **Follow Standard Operating Procedures (SOPs):** SOPs provide structured steps to complete tasks correctly.
Example: A customer service agent follows a script and system process when handling complaints to ensure consistency and quality.
2. **Adhere to Workplace Policies:** Policies cover general conduct, working hours, breaks, use of company property, and more.
Example: Employees must follow the attendance policy by clocking in/out on time and informing supervisors of planned absences.

3. **Comply with Health and Safety Regulations:** Employees should maintain a safe work environment by identifying hazards, using protective equipment, and following emergency procedures.
Example: A warehouse worker wears steel-toe boots and uses proper lifting techniques as per safety training.
4. **Use Approved Tools and Methods:** Only company-approved equipment, platforms, or materials should be used for completing tasks.
Example: A finance officer uses authorised accounting software to manage invoices, ensuring data security and accuracy.
5. **Maintain Accurate Records:** Documenting tasks, incidents, or transactions ensures transparency and enables audits or reviews.
Example: A nurse logs patient vitals and medication administration times in line with hospital regulations.
6. **Protect Confidential and Sensitive Information:** Confidentiality rules must be followed to safeguard sensitive employee, client, or company data.
For example, HR personnel store employee files in secure systems and avoid discussing private matters in public areas.
7. **Follow Communication Protocols:** Internal communication standards help ensure that the right information reaches the right people efficiently.
Example: An IT support employee logs service tickets in the system and escalates unresolved issues through designated channels.
8. **Respect Legal and Ethical Boundaries:** All actions must comply with local laws and the organisation's ethical code.
Example: A marketing employee avoids false advertising and ensures all claims in campaigns are substantiated.
9. **Participate in Regular Training and Updates:** Regular training ensures awareness of new policies or changes in laws and procedures.
Example: A compliance officer attends quarterly workshops to stay updated on regulatory changes affecting operations.
10. **Report Non-Compliance or Issues Promptly:** Employees must report breaches or potential violations to the appropriate person or department.
Example: An employee who notices data mishandling reports it to the data protection officer per the reporting protocol.

9.3.5 Work Functions in line with Legal and Organisational Guidelines

Describing and carrying out work functions in accordance with legal and organisational guidelines ensures that employees operate within the boundaries of the law, follow company expectations, and contribute to a safe, fair, and efficient workplace. This promotes accountability, protects the organisation from liability, and supports a culture of professionalism and compliance.

The work functions are described below:

1. Understand Job Responsibilities Clearly

- Employees should have a clear understanding of their job descriptions, performance indicators, and scope of authority.

- Example: An administrative assistant knows their role includes scheduling, managing files, and supporting staff, but not approving expenditures.

2. Comply with Legal Requirements

- All tasks must follow national, state, or local laws relevant to the industry. This includes employment law, consumer protection, financial regulations, etc.
- Example: A healthcare worker must adhere to patient consent laws and medical privacy regulations.

3. Uphold Ethical Standards

- Tasks must be completed with honesty, respect, and fairness. Avoiding bias, dishonesty, and misconduct is key.
- Example: A procurement officer must declare any personal relationships with vendors to avoid conflicts of interest.

4. Follow Company Policies and Procedures

- Internal policies provide structure for operations. Employees should follow procedures related to attendance, conduct, IT use, and more.
- Example: A remote employee must follow the company's cybersecurity policy when accessing systems from home.

5. Maintain Workplace Safety

- Daily tasks should be performed in a way that minimises risk to oneself and others.
- Example: A factory worker wears protective gear and follows lockout-tagout procedures when maintaining machinery.

6. Protect Confidential and Sensitive Information

- Employees must handle all private or sensitive information with care, according to organisational privacy policies and applicable laws (e.g., GDPR, HIPAA).
- Example: A payroll officer must not share salary information with unauthorised staff.

7. Respect Chain of Command and Reporting Lines

- Reporting structures ensure accountability and clarity. Employees should escalate issues through the correct channels.
- Example: A customer service representative raises unresolved customer complaints to the team leader, not directly to senior executives.

8. Participate in Required Training and Development

- Training ensures legal and procedural awareness. Employees must stay current on compliance-related topics.
- Example: A manager attends annual training on anti-harassment laws and updates to employment law.

9. Document Work Accurately

- Proper recordkeeping helps meet audit, legal, and operational standards. All documentation should be honest, clear, and timely.
- Example: A project coordinator keeps logs of meeting notes, action items, and change requests to ensure project transparency.

10. Report Violations or Risks Promptly

- Prompt reporting of issues protects the organisation and supports compliance. Most companies offer anonymous or secure channels for this.
- Example: An employee who sees safety violations in a warehouse reports them through the workplace health and safety app.

9.3.6 Deviations from Regulatory Requirements

Identifying and reporting deviations from regulatory requirements is critical for maintaining compliance, avoiding legal and financial penalties, protecting stakeholder trust, and ensuring safety. It involves staying informed, recognising when rules are being broken, and reporting these instances through appropriate channels in a responsible, confidential, and timely manner.

The process is discussed in detail as follows:

1. Understand Relevant Regulations

- Employees must be familiar with the legal and regulatory requirements specific to their role, department, and industry.
- Includes federal/state laws, industry codes, organisational policies, and safety standards.
- Example: A data analyst working with personal data must understand data protection regulations like GDPR or HIPAA.

2. Recognise Signs of Non-Compliance

- Stay vigilant and identify red flags, such as:
 - Incomplete or falsified documentation
 - Unsafe working conditions
 - Financial discrepancies
 - Unauthorised access to restricted information
 - Ignoring required procedures (e.g., bypassing quality checks)
- Example: A nurse noticing that a colleague failed to document medication administration must recognise this as a breach of medical regulations.

3. Document Observations Clearly

- Record what happened, when, where, and who was involved.
- Stick to facts — avoid opinions or assumptions.
- Include supporting evidence where possible (e.g., photos, screenshots, emails).
- Example: An employee notices expired food being served and documents the date, time, and label before reporting.

4. Follow Reporting Procedures

- Use formal reporting channels defined by your organisation, such as:
 - Incident report forms
 - Online compliance platforms
 - Speaking with a supervisor or compliance officer
 - Using whistleblower hotlines
- Example: An accountant reports potential fraud using the company's confidential fraud hotline.

5. Maintain Confidentiality

- Do not share the details of the deviation or investigation with others outside the reporting process.
- Protect the identities of all involved parties.
- Example: An HR assistant reports discriminatory behaviour but refrains from discussing the case with co-workers.

6. Avoid Retaliation or Bias

- Report without prejudice or personal motives.
- Many organisations offer non-retaliation or whistleblower protection policies to support ethical reporting.

- Example: A junior staff member reports a manager’s policy violation, knowing they are protected from negative consequences.

7. Escalate Urgent or High-Risk Issues Promptly

- If the issue poses an immediate risk to health, safety, or the organisation’s operations, escalate it directly to senior management or regulatory authorities.
- Example: A technician discovers a safety hazard that could cause injury and immediately informs the safety officer and halts work.

8. Participate in Investigations if Required

- Cooperate with internal auditors, compliance officers, or external regulators by providing honest and factual input.
- Example: An employee provides a witness statement during an investigation into workplace harassment.

9. Support a Culture of Compliance

- Encourage peers to follow regulations and report concerns.
- Avoid turning a blind eye to misconduct or unsafe behaviour.
- Example: A team leader regularly reminds staff of reporting procedures during safety meetings.

9.3.7 Clarification Procedures for Organisational Policies and Guidelines

Clarification procedures ensure that employees fully understand and correctly implement organisational policies and guidelines. Clear and accessible procedures help reduce misunderstandings, promote consistent behaviour, and support compliance with both internal rules and external regulations. When employees are unsure about a policy, a structured clarification process ensures they receive accurate and timely information from the appropriate sources.

1. Review the Policy Documentation First

- **Why it matters:** Most policies are documented in handbooks, manuals, or intranet systems. Reviewing the official source is often the quickest way to resolve a question.
- **Example:** An employee unsure about the dress code first reviews the employee handbook section on professional attire.

2. Ask Your Direct Supervisor or Manager

- **Why it matters:** Supervisors are trained to interpret and apply policies within their teams. They can often provide specific context related to your role or department.
- **Example:** A team member clarifies the company’s overtime policy by asking their shift supervisor.

3. Contact the Human Resources (HR) Department

- **Why it matters:** HR typically oversees employee policies and can offer formal interpretations, especially for issues like leave entitlements, disciplinary procedures, or workplace behaviour.
- **Example:** An employee contacts HR to confirm how parental leave policies apply to their situation.

4. Reach Out to the Compliance or Legal Team

- **Why it matters:** When policies relate to legal or regulatory matters—like confidentiality, data protection, or anti-discrimination—it’s best to consult experts in those areas.
- **Example:** A project manager checks with the compliance team on how to handle client data under GDPR rules.

5. Submit a Formal Request for Clarification

- **Why it matters:** For sensitive or unclear issues, submitting a formal query ensures there is a documented request and response. This is particularly important in regulated industries.
- **Example:** A nurse in a hospital submits a clarification request about patient consent procedures before conducting a new type of treatment.

6. Refer to Training Materials or Past Communication

- **Why it matters:** Training sessions, memos, and internal emails often explain policies in simpler terms or give updated guidance.
- **Example:** After a new hybrid work policy is announced, staff review the training slides sent during the policy rollout webinar.

7. Attend Policy Review Meetings or Briefings

- **Why it matters:** Organisations may hold sessions to explain new or updated policies. These meetings offer opportunities to ask questions and get clarification in real-time.
- **Example:** Employees attend a company-wide meeting to learn about updates to the code of conduct and ask questions about changes.

8. Use Internal Knowledge Bases or Portals

- **Why it matters:** Many organisations maintain searchable online resources where employees can access policy FAQs, examples, or guides.
- **Example:** A new hire searches the company intranet for the travel expense policy and finds a step-by-step reimbursement guide.

9. Escalate When Necessary

- **Why it matters:** If your question is unresolved or the initial response is inconsistent with documented policies, escalate it up the appropriate chain (e.g., senior manager, HR director).
- **Example:** An employee who receives conflicting information from two departments escalates the issue to the department head for final clarification.

10. Keep a Record of the Clarification

- **Why it matters:** Saving the written response helps you reference it later and protects you in case of future disputes or audits.
- **Example:** After clarifying a policy on expense limits, a sales executive saves the email from HR confirming the approved daily allowance.

Summary

- Ethical practices and adherence to values play a crucial role in governance and contribute positively to both individuals and organisations in the apparel industry.
- Understanding and complying with legal, regulatory, and customer-specific requirements is essential to maintaining operational integrity and building trust.
- Reporting procedures and knowing the limits of personal responsibility help employees manage compliance effectively and seek guidance when needed.
- Efficient resource usage and energy conservation practices, such as minimising wastage and switching off unused machines, enhance sustainability in the apparel sector.
- Proper handling, storage of waste materials, and implementation of green solutions support environmentally responsible production processes.
- Following organisational policies, maintaining punctuality, and collaborating with supervisors and team members ensure smooth operations and legal compliance in daily tasks.

Exercise

Multiple-choice Question:

1. What is one benefit of ethical practices in the apparel industry?
 - a. Increased costs
 - b. Reduced transparency
 - c. Enhanced trust and integrity
 - d. Lower productivity
2. Why is switching off machines when not in use important?
 - a. It improves design quality
 - b. It reduces energy consumption
 - c. It increases machine weight
 - d. It extends working hours
3. Who should employees approach for clarification on policies and procedures?
 - a. Customers
 - b. Colleagues
 - c. Supervisors
 - d. Outsiders
4. What does efficient resource usage in the workplace lead to?
 - a. Higher waste generation
 - b. Reduced productivity
 - c. Better cost and energy savings
 - d. Longer work hours
5. Which of the following is a part of personal responsibility in an organisation?
 - a. Ignoring policies
 - b. Following organisational procedures
 - c. Creating new regulations
 - d. Avoiding teamwork

Descriptive Questions:

1. Explain the importance of values and ethics in governance within the apparel industry.
2. Describe two energy conservation methods used in the apparel sector.
3. What are customer-specific requirements, and why are they important in the work process?
4. How can an employee support a supervisor in enforcing policies?
5. List three techniques to minimise wastage in daily operations.

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Scan the QR codes or click on the link to watch the related videos



https://youtu.be/yv_pupETebM?si=GZO4GuWgM98tyxxv

Advantages and Disadvantages of Ethical organization



Energy Conservation





10. Employability Skills



Employability Skills is available at the following location



<https://www.skillindiadigital.gov.in/content/list>

Employability Skills

11. Annexure



Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Module 1: Introduction and Orientation to Export Manager – Stitched Items Manager – Stitched Items	Unit 1.1: Foundations of Fashion Consulting	1.1.1 Role of an Export Manager in Stitched Items	9	https://youtu.be/dSn7iz-bFN8?si=v8HImdaJKL7RjARu	 Introduction to Apparel Industry
			9	https://youtu.be/eLHsHsy-fR7Y?si=vKMTZxFbTbxxykOB	 Export Manager a distinguish job role in Industry
Module 2: Export Manager – Stitched Items marketing operations	Unit 2.1: Site Readiness and Regulatory Awareness	2.1.2 Influence of Internet Marketing on Exporting Stitched Items	39	https://youtu.be/fFZMOu-7qCV4?si=F7sdnE3TxZQcnBDI	 Strategy for export marketing
		2.1.5 International Commercial Payment Terms for Export Transactions	39	https://youtu.be/VMZPg-00aHo?si=xvhrpSBfw4pX2kxg	 Payment terms for Import Export Business
	Unit 2.2 Financial and Institutional Aspects of Exporting	2.2.3 Cost Factors in Export Marketing	39	https://youtu.be/wyDw-mUUUOWw?si=KmySR6E-cyB2_Tph4	 How To Give Price To Foreign Buyer

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
		2.2.6 Documentation and Legal Formalities in Export Transactions	39	https://youtu.be/g11e2NtPAYw?si=ua0X2sg-EjYuphLs	 Documents and licenses required to start an export import business
Module 3: Analyse foreign trade logistics	Unit 3.1: Maritime Transportation and Logistics	3.1.2 Factors for Selecting Shipment Method and Transportation Route	59	https://youtu.be/AaaP2439kfY?si=5sQaWeM-yFil6zl25	 How to choose the right shipping method?
		3.1.5 Significance of Containerization in Shipping Logistics	59	https://youtu.be/et_jG5rn-Ka4?si=i7QDhmeYWuskVOdE	 How Does Containerization Impact Shipping Logistics?
		3.1.8 Concept and Application of Multi-modal Transportation	59	https://youtu.be/aetNM42Tz-tl?si=cNnJUIYgdm6T8oEz	 International logistic Management

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Module 4: Maintaining a Healthy, Safe and Secure Working Environment in the Organisation with Gender and PwD Sensitisation	Unit 4.1: Safety, Compliance, and Gender Equality	4.1.3 Gender Equality Principles and Workplace Sensitisation in the Apparel Industry	91	https://youtu.be/sxth9Maab4c?si=QgZ_sora3iY9GIgb	 Reducing Gender Discrimination
		4.1.5 List Personal Protective Equipment (PPE)	91	https://youtu.be/p_9hOqd-w75o?si=Kymniuo7hMCiaH7e	 Personal Protective Equipment (PPE)
	Unit 4.2: Maintenance and Waste Management	4.2.1 Importance of Scheduled Maintenance and Equipment Care	91	https://youtu.be/kEIlLjw-W928?si=KsHd1bpcdyFgnAMs	 Garments & Apparel Manufacturing Industry
		4.2.3 Safety Measures: Machine Guards and Ergonomic Work Practices	91	https://youtu.be/5xPV8xtQKoi?si=7n9_FCCDHJEWAsT-	 Ergonomics in product design
Module 5: Plan for Export Manager – Stitched Items	Unit 5.1: Shipment Planning and Strategies	5.1.1 Trade Policies and Guidelines for Shipment	118	https://youtu.be/k2v_s-ppJak?si=oQW8Dnu-WQluWCqMQ	 Step by step export procedure india

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		5.1.5 Risk Assessment in Shipment Planning	118	https://youtu.be/9GthPTi1N-qc?si=iGE1QxSOZ9rJDUI6	 Risk Management
Module 6: Shipping Compliance for Export Manager – Stitched Items Industry	Unit 6.1: Shipping Processes and Compliance	6.1.1 Shipping Compliance Guidelines and Standards	136	https://youtu.be/qsFUx6GPbx-U?si=DSVb7UPrz28LXIsf	 Compliance Certificates in Apparel Industry
	Unit 6.2: Packaging, Labelling, and Invoicing	6.2.3 Use of Shipping Marks, Labels, and Barcodes	136	https://youtu.be/YeM7oeSsm2A?si=Ww-Biii_3j8vfgG9	 What is Private Labeling ?
Module 7: Carry Out Process for Export Manager – Stitched Items a Product	Unit 7.1: Export Transactions and Financial Framework	7.1.2 Credit and Financing Methods in Export Operations	153	https://youtu.be/0UiLLhN-hBil?si=NWkZcH2nnrEU4LVd	 Letter of Credit(LC)
		7.1.3 Strategies for Managing Foreign Exchange Risks	153	https://youtu.be/Dr5_CyPzB8M?si=ahVAzJk9nP40o8uu	 Foreign Exchange Risk Management

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	Unit 7.2: Documentation and Sales Contracts	7.2.1 Components and Structure of Export Sales Contracts	153	https://youtu.be/6VL-k9rVz-b8?si=qdw7XHUPJoB7hZkM	 Export Sales Contract
Module 8: Supervise and Evaluate Performance	Unit 8.1: Documentation and Information Flow	8.1.1 Document Creation Using Software and MIS Systems	174	https://youtu.be/dCI2ANY6rT-c?si=FbYqwV9nCL2_uuIC	 Excel - MIS Report
	Unit 8.2: Performance Evaluation and Target Setting	8.2.1 Setting Organisational Targets and Objectives for Executives	174	https://youtu.be/7VKwAkdP-1C0?si=GhMfZWSDlydZycmR	 S.M.A.R.T. goal setting
		8.2.6 Performance Evaluation Methods	174	https://youtu.be/A4GklhGISxM?si=shCkFHLL-DFjQJc8d	 Performance Appraisal

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Module 9: Ensure Adherence to Industry, Regulatory, and Organisational Standards, While Incorporating the Principles of Environmental Sustainability	Unit 9.1: Ethical and Regulatory Compliance in the Apparel Industry	9.1.1 Role of Values and Ethics in Governance	211	https://youtu.be/ItW7KVY-J1go?si=9I3jYU0S6wiFa6Rb	 Business Ethics
		9.1.2 Benefits of Ethical Practices for Individuals and Organisations	211	https://youtu.be/yv_pupETeb-M?si=GZO4GuWgM98tyxxv	 Advantages and Disadvantages of Ethical organization
	Unit 9.2: Resource Optimisation and Energy Conservation	9.2.2 Energy Conservation Methods	211	https://youtu.be/24W6TzyGrcc?si=etC2A_grrmlwFHfy	 Energy Conservation







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MINISTRY OF SKILL DEVELOPMENT
& ENTREPRENEURSHIP



**APPAREL MADE-UPS HOME FURNISHING
SECTOR SKILL COUNCIL**

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