FACTORS AFFECTING DECREASE IN CUT-TO-SHIP RATIO, STUDY ON GARMENT MANUFACTURER IN SRI LANKA

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Measuring performance is one of foremost activities that every association does even though it is a manufacturing or service providing company. In order to measure performance they have recognized some Key Performance Indicators (KPI), and Cut to Ship is one of the methods used to measure the garment fallout from cutting section to shipping. Cut to ship is a ratio and there should be specific value of 98%. Presently in the Sri Lankan apparel industry, this ratio varies between 80% and 99%. The variation of cut to ship implies cost to company, so that identification of reasons for decrease in cut to ship is important. Accordingly, this study mainly focuse on identifying those factors and by that those factors can be minimized. In this study, one of the leading apparel manufacturers in the country was selected and the case study approach was followed. Both primary and secondary data were used for the analysis of the study. In collection of primary data, author observations and personal interviews were done to get some clarifications on the secondary data and in the meantime, to identify the reasons for garment fallout. Secondary data consist of all the quantities that passes through each department and reasons for the fallout. 50 on-going styles were selected as a sample and within those 50 styles 15 styles were collected by the author in order to cross check the accuracy of the secondary data. Descriptive analysis showed that damages were the main reasons to decrease the Cut-to-Ship ratio among the damages, mock samples and WIP. Sewing errors and embellishment errors were the most critical contributors for higher damages among all the damage cause categories. Further, regression analysis proved that weight of the fabric (GSM), Number of operation, Standard Minute Value (SMV) and the nature of the working shift were the significant factors that determine the level of damages in the apparel industry of Sri Lanka. Giving proper training to operators and supervisors, installing better machinery and equipment, and changing the present working shift would help to minimize the damages. Further, Implementing Lean Manufacturing mechanism, Focusing standard, Just in Time approach (JIT), Cellular manufacturing and continuous improvement (Kaizen) would help to go for a higher Cut-to-ship ratio in the industry.

Keywords: Cut-to-Ship Ratio, GSM, Lean Manufacturing, Standard Minute Value (SMV)