



SCRAPPY
APPAREL COMPANY

NAVIGATING GLOBAL SUPPLY CHAINS:

BEST PRACTICES FOR APPAREL BRANDS



Navigating Global Supply Chains:

BEST PRACTICES FOR APPAREL BRANDS

Whether you have an apparel brand or a business that just needs to manufacture clothing, building a reliable supply chain can be challenging.

However, you shouldn't skimp on creating a solid supply chain strategy.

This is easier said than done—it involves:

- Sourcing raw materials from reputable and reliable suppliers
- Producing a high volume of garments without sacrificing quality (or breaking the bank)
- Managing production timelines and shipping logistics

As you optimize your operations, it's essential to consider best practices that can streamline your global supply chain. You need a deep understanding of market dynamics, regulatory landscapes, and cutting-edge inventory management techniques to succeed in the apparel industry.

Our experts at Scrappy Apparel wrote this guide to share our top tips for:

- Enhancing supplier relationships across borders
- Tackling regulatory compliance challenges
- Implementing agile supply chain methods

We'll also take the opportunity to share how our innovative 3PL MGMT program can help you keep costs low while improving overall efficiency.

But first, we want to answer a question that may be on your mind:

Why take your supply chain global vs. keeping it domestic?

Global vs. Domestic: Pros and Cons

When considering the direction of your supply chain, the decision to go global or remain domestic holds significant implications for your apparel brand.

Each option can directly influence your business model, production capabilities, and customer satisfaction. Here are the pros and cons of each approach:

Global Supply Chains

Pros:

- **Access to a Broader Array of Materials:** International suppliers may offer materials that are not available domestically, enhancing your product range.
- **Affordability:** Sourcing from global markets can often yield more competitive prices for high-quality materials.
- **Skilled Labor:** Certain regions may provide specialized skills and craftsmanship that can elevate your brand's quality.
- **Diversification of Risk:** Spreading production across multiple countries acts as a buffer against local disruptions, such as natural disasters or political instability.
 - ◆ **For example:** According to [The State of Fashion 2023 report from McKinsey](#), Pakistan suffered a catastrophic flood that swept away 45% of the country's cotton. Hypothetically speaking, if your cotton suppliers are located in Pakistan, this would have a significant impact on your supply chain. However, if you also source from other countries, the effects may not be as severe.
- **Enhanced Production Capabilities:** Global networks can scale production more efficiently, accommodating larger orders and varied product lines.



Cons:

- **Longer Lead Times:** Shipping and customs clearance can create delays, making it challenging to meet tight deadlines.
- **Language Barriers and Cultural Differences:** Communication can become a hurdle when working with international suppliers, leading to misunderstandings or delays.
- **Compliance Challenges:** International production involves navigating complex regulations and labor laws in different countries.

Domestic Supply Chains

Pros:

- **Ease of Communication:** With domestic suppliers, there are no language barriers or cultural differences to navigate.
- **Faster Lead Times:** Domestic shipping allows for quicker turnaround times, making it easier to meet deadlines.
- **Working Within Familiar Regulatory Frameworks:** Operating within your home country's regulations can simplify compliance and reduce risks.
- **Supporting Local Economies:** Using domestic suppliers can contribute to the local economy, creating jobs and supporting businesses in your community.

Cons:

- **Limited Access to Materials:** Domestic suppliers may have a more limited selection of materials, limiting product variety.
- **Higher Costs:** Domestic production is often more expensive due to labor costs and regulations.
- **Risk of Supply Chain Disruptions:** Relying solely on domestic suppliers means all production is at risk if there are any disruptions in the local market.



Now, we'd like you to consider this:

Why not both?

A hybrid model allows for a more agile and resilient supply chain by sourcing materials from both international and domestic suppliers. This strategy can help mitigate risks while taking advantage of a broader range of materials and production capabilities.

We believe that diversity and flexibility are key to building a strong global supply chain. That's why we're sharing this guide with you—to help you optimize your supply chain for maximum efficiency and success. Let's explore these concepts further.

Enhancing Supplier Relationships in Global Markets

Relationships truly are everything.

Why? Because a reliable supply chain begins with trustworthy suppliers.

You want people on your team who understand industry best practices, like quality control protocols, risk management strategies, and much more...

Here are some key strategies to enhance your supplier relationships in global markets.

- **Do Your Research:** Before partnering with any supplier, do thorough research. Study their background, check references from other businesses, and understand their production capabilities. This will save you a lot of headaches down the road.
- **Communicate Openly and Frequently:** Communication is crucial to building a strong supplier relationship. Be transparent about your expectations, production timelines, and any potential issues that may arise. This will help avoid misunderstandings and delays.

- **Establish Clear Contracts:** Clearly define the terms of your agreement with suppliers in writing to prevent any miscommunication or disagreements. This should include details such as quality standards, pricing, delivery schedules, and payment terms.
- **Build Trust Through Transparency:** Transparency builds trust in any business relationship. Share information on market trends, forecasts, and production plans with your suppliers so they can better understand your needs and make informed decisions.



Tackling Regulatory Compliance Challenges

Compliance is not a one-and-done task. It's an ongoing process.

Many apparel brands choose to manufacture their garments overseas to take advantage of lower costs. However, you should also be aware of the regulations and compliance challenges that come with international supplier relationships.

Don't want to deal with fines and delays?

Then pay close attention to the U.S. Customs and Border Protection (CBP) [regulations concerning the import of textiles and apparel](#). The International Trade Administration (ITA) also has helpful info on [importing apparel into the U.S.](#)

One primary requirement is proper labeling, which must include information on the country of origin, care instructions, and fiber content.

Additionally, all imports must comply with the tariffs and duties established by the [Harmonized Tariff Schedule \(HTSUS\)](#).

Regular audits and due diligence are critical for maintaining compliance, as is establishing a thorough understanding of the importing process, including customs documentation and clearance.

By prioritizing regulatory compliance, you can mitigate risks associated with importing and build a positive reputation in your market. You want customers to view you as reliable!

Implementing Agile Supply Chain Strategies

Want to optimize inventory levels, improve efficiency, and respond swiftly to changing customer needs? Then you need to prioritize the agility of your supply chain.

Demand-Driven Material Requirements Planning (DDMRP)

[Demand-driven material requirements planning \(DDMRP\)](#) is a next-gen planning and execution strategy that can help you regulate your supply chain.

In the apparel industry, implementing agile supply chain strategies like DDMRP is crucial for adapting to rapidly changing fashion trends, ensuring timely production, and meeting consumer demand while maintaining quality and compliance throughout the sourcing and manufacturing process.

Two Key Elements of DDMRP:

- **Communicating Clearly and Frequently:** Maintaining consistent and clear communication helps to minimize unexpected changes that could disrupt operations. By controlling the flow of critical data, you can respond swiftly to any fluctuations in demand or supply, ensuring that all stakeholders are well-informed and aligned. This reduces the likelihood of errors and miscalculations.

- **Adding Buffers of Supply:** Holding extra stock of your top sellers or forecasted sellers can help you lower the risks of shortages. These buffers act like a safety net whenever there are sudden changes in customer demand or issues with the supply chain. If changes occur, you can adjust these buffers to ensure you have enough garments available to fulfill customer orders.

Manufacturing in Bulk

The print-on-demand vs. bulk manufacturing debate is a common one in our industry, but there are distinct benefits to manufacturing in bulk for certain situations—especially when working with international suppliers.

- **Quality Assurance:** One of the primary advantages of bulk manufacturing is that you gain greater control over quality. While print-on-demand (POD) can be convenient with its low upfront costs, it often leads to compromises, especially in print quality. You may encounter issues like inconsistent prints and limited oversight, which can negatively impact your brand's reputation.
- **Cost Efficiency:** Producing large quantities usually lowers the per-unit cost of goods. This is especially beneficial when dealing with overseas suppliers who can leverage lower labor and production costs, allowing you to enjoy a competitive edge in the market.
- **Streamlined Logistics:** By ordering in bulk, you can reduce shipping frequencies and consolidate shipments, resulting in significantly lower transportation costs and less environmental impact.
- **Stronger Supplier Relationships:** When suppliers are committed to larger orders, they may be more willing to prioritize your production timeline, ensuring quicker turnaround times. This commitment often cultivates a partnership built on reliability and trust, which is essential for sustaining international operations.
- **Quality Consistency:** With larger runs, manufacturers can better standardize production processes, leading to fewer discrepancies in quality. This is crucial when working with global suppliers. It mitigates the risks associated with varying production standards and helps maintain your brand's integrity across markets.

How Scrappy Apparel's 3PL MGMT Program Will Streamline Your Operations While Keeping Costs Low

"3PL MGMT" might have "3PL" in its name, but this program offers much more. We provide 4PL capabilities to our partners, managing the supply chain end-to-end. All our solutions are apparel-first, meaning that our processes are built around the unique needs of apparel businesses.

Curious about how our approach can enhance your operations? Let's explore the solutions we offer.



End-to-End Supply Chain Management

Scrappy's 3PL MGMT program is designed as a comprehensive end-to-end supply chain management solution that integrates manufacturing and fulfillment seamlessly. It's especially beneficial for e-commerce brands.

This holistic strategy helps our partners streamline their operations, reducing the complexities often associated with managing multiple partners across the supply chain.

We'll become your single point of contact for sourcing materials, manufacturing, warehousing, and fulfilling orders. This streamlines communication and reduces lead times while improving efficiency and visibility.

Tap into Global Supplier Networks without the Risk

Cross-border operations come with both opportunities and risks... after all, how do you maintain control of your quality and compliance standards when operating in foreign markets?

We vet all of our suppliers to ensure they meet international quality standards, meet regulatory requirements, and have a proven track record of delivering consistent results.

By tapping into this network, you gain access to competitive pricing without compromising on quality or compliance.

Greater Cost Savings

Through our 3PL MGMT program, you can leverage our global network of highly vetted suppliers to access the most competitive pricing for materials and services. By consolidating your operations with us, you can also enjoy streamlined logistics and lower transportation costs.

Our team of experts continuously assesses market trends and recommends cost-saving strategies to optimize your supply chain's financial performance.



Enhanced Speed-to-Market Capabilities

With Scrappy Apparel, you gain a speed-to-market advantage by tapping into our extensive network of suppliers. Our agile supply chain solutions can help you reduce lead times, ensuring timely delivery to your customers.

Improved Quality Control

Our quality assurance experts ensure that all materials and products meet your brand's high standards. We run quality control checks at every step of the process, from sourcing to manufacturing and fulfillment.

As a result, you can enjoy consistent quality across all production runs, regardless of the size.



Unlimited Scaling Potential

At Scrappy, we believe in building true partnerships with our clients, where success is a mutual goal. We're dedicated to building long-term relationships, which means that as your business evolves and grows, we evolve with you.

Our flexible and scalable solutions are designed to support your operations at every stage, ensuring that you'll never outgrow us. Our commitment to your success means we are always ready to adapt and scale our services to meet your growing needs.

With Scrappy Apparel by your side, you can focus on your core business while we handle the complexities of the apparel supply chain.

Partner with

SCRAPPY

APPAREL COMPANY

for Efficient, Cost-Effective Supply Chain
Management



SCRAPPY
APPAREL COMPANY

www.scrappyapparel.com

[@scrappyapparelco](https://www.instagram.com/scrappyapparelco)