ISO BENEFITS OF AN INDIAN GARMENT EXPORTER.

Krishnan Sriram

Research Scholar, Department of cooperation.

Gandhigram Rural University, Gandhigram – 624302. INDIA.

ABSTRACT.

Many Indian small and medium enterprises got ISO certified in order to survive the intense domestic and international competition after the liberalization in 1991. But majority of them looked at ISO merely as a business development tool without truly understanding the benefits realized by those who followed the eight quality management principles of ISO. ISO certified companies world over have achieved improved customer satisfaction and retention, better quality products/services and better financial performances. This paper highlights the experience of a garment exporter who effectively followed these principles in it's true spirit and became a model for other SME's.

Keywords: Quality, ISO, Improved sales, higher profits.

INTRODUCTION:

Indian textile industry contributes nearly 30% of the country's foreign exchange. It is highly labor intensive and provides employment for millions of men and women who are semi skilled. The Indian textile sector exports yarn of different kinds to various customers throughout the world. Garment export till 1990 was limited to catering to the domestic market

A ready made garment unit under study was incorporated in the year 1990 mainly catering to the domestic market by a technocrat with two decades od experience in the textile field. The owner had all in house testing facilities and was ensuring reasonably acceptable product quality. With intense competition from domestic and international players after the Government of India liberalization policies in 1991, to survive and retain his market the company considered various business models to gain customer confidence and improve his company's performance. Realizing the vast export potential due to economic labor cost,

European companies came forward to encourage his products but insisted on a Quality Management System. The external customer's insistence on QMS and his commitment to improve quality of the product range to gain customer satisfaction the company got ISO certification in 1997 and has been able to achieve significant improvement in sales and profit.

From a small beginning with just 50 employees today the company has 5 manufacturing units employing 700 people. The company manufactures jackets, trousers and children wear.

ADHERENCE TO PRINCIPLES:

The company's quality policy aims to provide ready made garments with timely delivery to meet customer requirements. They seek to maintain customer loyalty for it's products by upgrading quality on a continuous basis by involving all employees and optimal use of resources.

Customer Focus:

The company develops all it's product ranges based on the customer design specifications and quality requirements. As per customer requirements the processes are modified and controlled to exactly meet the buyer's norms.

Supplier Relationship:

The company relationship with it's suppliers is highly commendable. The suppliers are informed about the customer's product quality needs and made to comply with their standards. The fact that they are maintaining the same suppliers for the last fifteen years is a testimony in treating the suppliers as an integral part of the organization.

Leadership;

The management is fully committed to quality and keep upgrading the processes and procedures to meet customer requirements. The implementation of Environmental Management System, Social Acceptability and Global Organic Textile Standards highlight their commitment to quality in all aspects.

Employees Involvement:

The employees are fully aware of the customer needs, product quality requirements. The company extensively rely on the employees suggestion scheme to implement improvement initiatives. With their effective internal communication and the cordial relationship with

employees who are trained in quality techniques, the motivation and morale is at a high level and thereby their commitment to work is enhanced

All processes and procedures are clearly documented and one outstanding feature of the QMS is all the information (documents) are available in vernacular for the employees to have easy understanding. This has enhanced the employees knowledge and their work satisfaction level.

Customer Relationship;

The company exports it's products to France, Canada, Korea, USA and Japan. 50% of the market share comes from France, 305 from Canada and the balance from other countries.The company strictly adheres to their customer design and quality specification by which they are still enjoying the French relationship for the last twenty years and with others for over fifteen years which is a clear indication of their commitment quality.

Benefits :

Due to effective implementation of ISO the major significant gains have been

1. **Sustained quality product – consistent quality product range.**
2. **Competitive advantage.**
3. **Improved customer satisfaction**
4. **Reduced scrap, rework.**
5. **Improved employees work satisfaction**
6. **Improved customer base – Global market base.**
7. **Improved employer – employee relationship.**
8. **Improved growth – from I unit to 5 units.**
9. **Increased sales volume.**
10. **Improved profitability.**

CONCLUSION:

If followed effectively ISO Quality Management System, discharge of social responsibility, effective social acceptability and an integrated management system certainly enhances the performance of an organization in all areas. It can surely improve customer satisfaction level and help customer retention, increased market share and a mutually beneficial customer and supplier relationship. However specific gains due to reduced lead time, scrap and rework have to investigated further to ascertain the areas most impacted by ISO's effective implementation.

Table I. Gross Turnover during 1998 – 2009.

Year	Turnover.	Change	
1997-1998.	6.38	19.45	
1998- 1999	7.28	14.33	
1999-2000	7.32	0,05	
2000-2001	11.49	56.97	
2001-2002	12.59	9.57	
2002-2003	*12.13*	-0.038	
2003-2004	16.76	38.17	
2004=2005	17.49	4.35	-
2005-2006	15.45	-11.67	
2006-2007	15.67	1.42	
2007-2008	17.52	18.19	

Table-II Gross Profit during 1998 – 2009.

Year	Profit.	Change	
1997-1998.	105.16	708	
1998- 1999	164.42	56.35	
1999-2000	116.90	-28.90	
2000-2001	159	36.01	
2001-2002	192	20.75	
2002-2003	*212*	10.41	
2003-2004	221	4.25	
2004=2005	114	-48.41	-
2005-2006	116	1.75	
2006-2007	164	41.38	
2007-2008	139	-15.24	