



**rovetex AG.**

TEXTILE MANAGEMENT CONSULTANTS

# The concept of logistics within textile companies

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## 0.) Introduction

This paper doesn't expect to analyse all the aspects concerning the problems of the logistics in the textile companies.

It simply intends to be an indication of the basic concepts Rovetex AG applies in logistics projects and of what the results these projects should achieve.

Any contribution to this document from the customers of Rovetex AG will be welcome.

## 1.) The concept of logistics

The concept of logistics is not normally present in the textile industry resulting from the shortage – still today – of experts, often coming from other sectors and, who don't understand this section completely.

Therefore it happens that the *logistic area* is confused with simple production planning or management or with the purchase of raw materials, semi-manufactured products or of the single transportation activities.

On the contrary the concept of a *logistic area* arises from the recognition of the fact that all the above mentioned activities (and many others) can't be separated and that when this happens (as today in many companies) we renounce efficiency by losing the overall vision of the problems.

To use a simple concept, in our opinion, logistics in a textile company is the centre of responsibility *receiving* the orders (or the order previsions) from the sale management and has the responsibility to *send* the product *to the finished product store* in the agreed times and quantities. Only by exception does logistics have responsibilities as regards the levels of the finished product store which are normally decided by the sales area.

In this way the logistics activity goes beyond the classic standards of organization of the companies because it becomes a transverse activity with respect to the three classic functions indicated in the

sale  
production  
management areas.

## 2.) Some activities of the logistic area

According to our consultancy experience, we think it is possible to foresee two groups of activities concentrated in the future logistic area.

### **Production planning and control**

- In conjunction with sales budget or with sale monitoring and control production plan definition
- raw materials purchase
- inside production process management: weaving and finishing
- outside production process management
- equipment optimization search
- semi-finished products purchase (= raw fabrics)
- responsibility of the storage (times and quantities) of the products into the finished product store.

### **Collateral activities**

- Maintenance of machinery and equipments, not of structures or buildings
- Definition of the staffs of the logistic area
- Responsibility for the definition of the information aspects for the area within competence
- Area subsidiary material purchase when in presence of technical aspects
- Responsibility for the costs of the area.

Every company – as we will show later - defines within its structure what aspects must be agreed.

### **3.) The concept of *objects* and *responsibilities***

In companies where the concept of logistics is not clearly defined as a centre of single responsibility (for all the aspects of the area) with the autonomous responsibility with respect to the other functions, even the objects and the responsibilities are not clear.

Often it happens, that factory Managers say: “*we are a service on the sales side*”. In this way they actually renounce their own management function; or planning Managers are merely carrying out scheduling according to urgent needs and not understanding that this is only a part of their job.

In our opinion this happens also because logistics is not seen as a single function with its targets: if you separate the activities, you accept *not to pursue* overall objectives.

It is as if – ad absurdum – a Sales Manager was not given the possibility to define the level of the commissions for the agents since this aspect should depend on the financial management.

If there are objective data, there must be responsibilities to make decisions – always in agreement with the upper hierarchical level that is the General Management – about the means to reach the objects.