

Masood Textile Mills Limited (MTM) From Just Another Vendor to a Strategic Partner

MTM, headquartered in Faisalabad, Pakistan, is a leading knitwear exporter. It generated revenues in excess of Rs. 9 Billion in 2008 and employs close to 16,000 people. It is a vertically integrated unit that manufactures knitwear, for renowned international brands such as Polo, Ralph Lauren, Tommy Hilfiger, Hanes, Levi's, big stores like JC Penny, Macy's, Kohl's and Wal-Mart in the United States. Over 85% of its export is to United States and the remaining are to Europe. MTM is proud to be the only Pakistani company to have installed a sophisticated computerized bar coding system which allows it to track a product and all its various component right from the shipping to the packed product. This has dramatically improved their quality of production and reduced rejection rate, leading to both satisfied customers and improved profitability.

The apparel trade of the world was expected to change significantly in 2005, when textile quotas were to be phased out. For most Pakistani suppliers, the challenge was to stay competitive despite the expected inroads by countries, especially China, supplying less expensive apparel. In order to move from a mere price based competitive advantage, MTM initiated projects to add value to its important customers overseas. Based on its extensive experience in IT based management of materials, MTM launched a Direct-to-Store (DTS) business service to delight its customers by reducing the lead times and logistics management worries.

Currently, there are four service modules in DTS and MTM customers can choose any module that suits their need. The "states-side-replenishment" module allows a company such as JC Penny connect its over 1,100 stores to generate weekly orders to MTM's warehouse in the United States through electronic data interchange (EDI). The warehouse, which maintains model-based forecasting optimum stocks, fills these orders, which are routed to JC Penny's 10 consolidated points for onward shipment to the stores. This reduces not only lead time but also the time and human cost involved in ordering, shipping, getting custom clearances, warehousing and other import related hassles for them.