

Università Carlo Cattaneo – LIUC

Course:  
Strategic Issues of “Made in Italy”

# The Italian Textile and Fashion Industry

Speech of  
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# Fashion Leading Countries / 1

In the *Fashion World*, three European Countries are **leaders** in **creativity, innovation** and **quality** each one in a specific sector:

## ❖ ITALY

### *Prêt-à-Porter* and *Casual & Jeans Wear*

Italian **culture and tradition** are the **foundations** of the worldwide renowned **Italian Lifestyle**.

Some of the most popular brands are:

**PàP:** Armani – Gucci – Prada – Dolce & Gabbana – Versace  
Roberto Cavalli – Valentino – Moschino – Max Mara - etc.

**CW & JW:** Armani Jeans – Versace Jeans Couture – D&G  
Just Cavalli – Prada Sport – Moschino Jeans – Diesel – Replay  
Brooksfield – Henry Cottons – etc.

# Prêt-à-Porter



# Casual & Jeans Wear







# Fashion Leading Countries / 2

## ❖ FRANCE

### *Haute Couture*

Haute Couture is the antithesis of ready-to-wear. Garments are completely **custom-made**, from impeccable lining to hand-stitched hem. Fabrics and embellishments are of the **highest quality**, and the tailors, seamstresses, embroiderers, lace makers and other **craftspeople** who spend hundreds of hours assembling these pieces are the **most skilled in the world**.

The most famous french *“Maison de Haute Couture”* :

Christian Dior – Chanel – Yves Saint Laurent – Givenchy  
Balenciaga – Balmain – Lanvin

# Couture & Haute Couture



# Couture & Haute Couture





# Couture & Haute Couture



# Haute Couture



# Fashion Leading Countries / 3

## ❖ ENGLAND

### *Edgy Fashion*

*“If you’re looking for one place where fashion is on a high of celebratory confidence for the future, come to London”*

Sarah Mower

Some of the designers performing in London are:

Vivienne Westwood – Cristopher Kane – Paul Smith  
Christopher Bailey – Antonio Berardi – Zandra Rhodes

**Saint Martin College of Arts & Design** and **The London College of Fashion** are among the world most famous talents’ forges.



# Edgy Style



# Fashion & Textile in Italy

In 2009, the Italian Fashion and Textile **turnover** has **dropped by 16% from 54 to 45 bln €**

Textile, which represents 15% of the total turnover, has decreased by 22.5%

At the same time, **people employed** in this sector have **decreased by 26,000 units**, from 508,000 to 482,000.

**Imports dropped by 11.0%** and **export by 20.2%**.

The companies located at the **top of the supply chain** (i.e. yarns and fabrics manufacturers) have recorded **drops** in their turnover **much bigger** than garments manufacturers.



# The Italian Fashion Industry

The Italian Fashion industry is made up of various kinds of companies:

- ❖ **Retailers**
- ❖ **Design source and selling companies**
- ❖ **Companies with their own manufacturing facilities**
- ❖ **Companies who outsource production but retain control over parts of the production process**

Companies functioning in the **high fashion segment** often face a different kind of pressure as compared to those functioning with **commodity fashion goods**.

# The Fashion Industry Process

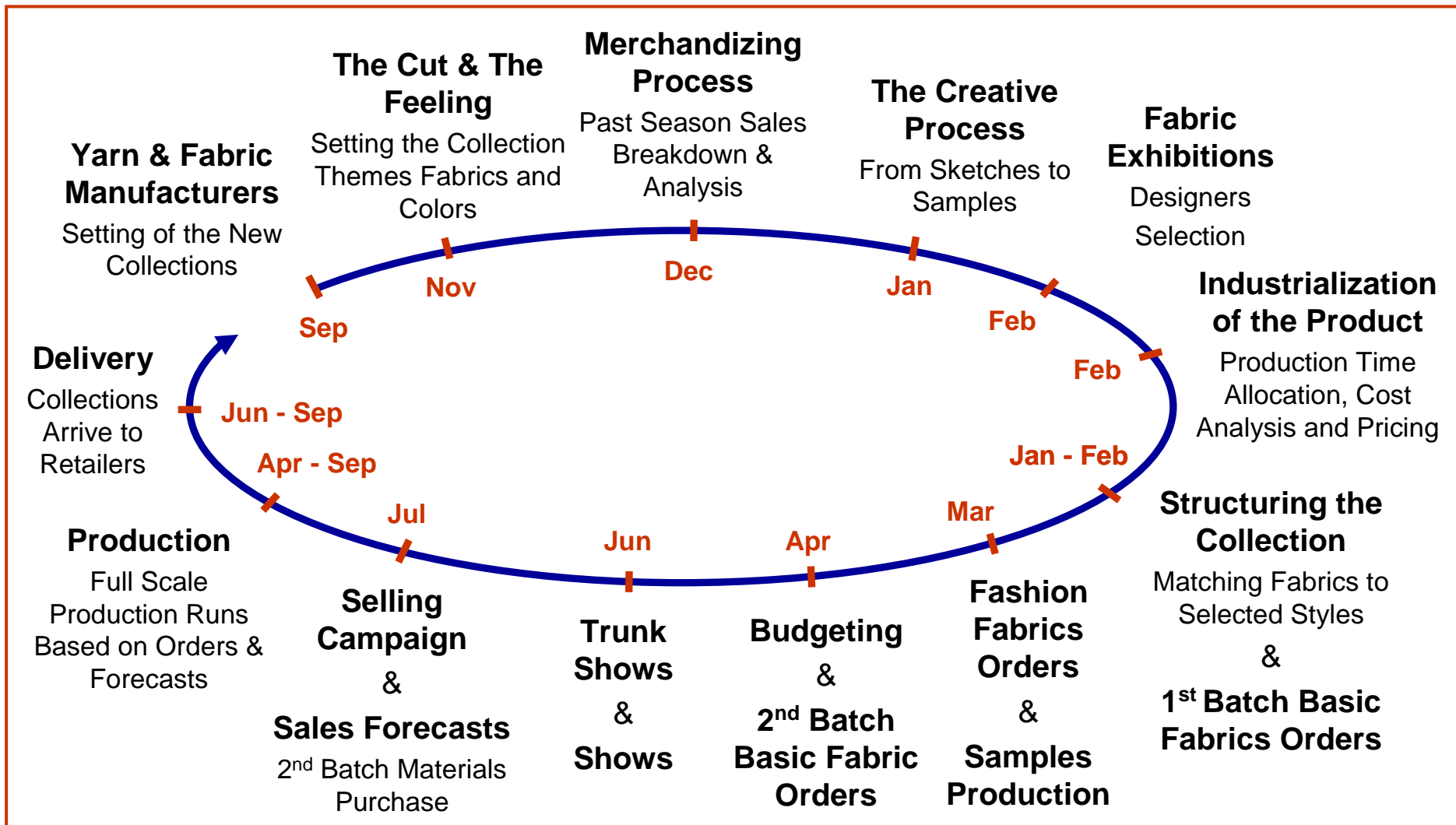
To better understand the various phases of the process between the idea and the delivery of a garment to the market, it's worth analyzing the **operating structure** of a

**Company**

**with its own manufacturing facility**

even if, nowadays, it's quite common to **outsource** a growing part of the production in countries with very **cheap labour cost**.

# Fashion Industry Perfect System



# Creative Process Main Actors

The most strategic figures taking part in the creative process are:

- ❖ **Designer**
- ❖ **Fashion Coordinator**
- ❖ **Pattern Maker**
- ❖ **Merchandiser**

# The Designer

If not owned directly by the Designer, a Fashion Company has to hire a **talented Designer** to create its own collections.

Usually, a designer has some personal assistants who help him/her during the whole **creative process** and, in particular, during the preliminary **research** phases (i.e. trends, themes and fabrics).

His/her work is very hard since he/she has to respect the **inputs** given by both the Company **Fashion Coordinator** and **Merchandiser**.



# The Fashion Coordinator

Designer's work is managed by a **Fashion Coordinator**, responsible for the **look of the collection**.

He/she has to control Designer's work in order to assure the achievement of the following collection goals:

- ❖ be consistent with the **brand image** (customers' target)
- ❖ be in line with **fashion trends**
- ❖ keep up with the latest **fabric and textile developments**

As a result, his/her relationship with the Designer is often difficult.

# The Pattern Makers

**Pattern Makers** are the most strategic figures in making Designer's work successful by **turning ideas and/or sketches into models.**

They draw on paper or light cardboard different patterns representing the various pieces composing the style sketched by the designer. With these patterns, they can **cut a fabric** into those pieces which, sewed together, become a dress or whatever else was in the designer's mind.

Once properly set the style shape and fitting, the pattern coordinates are recorded in a **CAD System** to make **grading easier** and to **optimize fabric cutting.**

# The Merchandiser

**Merchandisers** analyze sales breakdown of the previous season and give detailed guidelines about the future **collection structure** in terms of :

- ❖ price ranges per style groups
- ❖ number of themes of the collection
- ❖ number of styles and fabrics for each theme
- ❖ number of styles to be proposed by price range
- ❖ number of accessories

Granting, as well, the **consistency** between samples' cost and budget constraints

# From Sketches to Garments / 1

## 1. **Define** the collection **Cut** and **Feeling**

**Cut** = Shapes and Volumes

**Feeling** = The Look (Themes) of the Collection

**Any clue is good!**

- social, political and cultural events
- arts, music, cinema
- worldwide street trends
- ethnic influences, etc.

70% of the collection is a follow up of the past one, while only **30%** of it will represent the **cutting edge styles** made expressly for both the **Press** and the **Show**.

# From Sketches to Garments / 2

2. **Select yarns** for the knitwear (being spinning process long, yarn selection has to be made early in the season)
3. **Deal** with manufacturers for **exclusive yarns and / or dyeings**
4. **Select fabrics**, consistent with the themes developed in the collection, and decide whether to **add prints**
5. **Visit Sector Fairs\*** and try to get some exclusives by making some changes in manufacturers' offer

\* **Milano Unica** - held in Milan twice a year (Feb and Sep), replacing the five previous fairs Ideabiella - Ideacomo - Moda In - Prato Expo - Shirt Avenue

\* **Première Vision** - Since 1973, organizes a leading international event in Paris twice a year (Feb and Sep), which in recent years is run in New York, Shanghai, Beijing, Moscow and Tokyo as well.



# From Sketches to Garments / 3

6. **Order batches** of the chosen fabrics (ca. 20 mt.)
7. **Sketch the styles** to be made with the chosen fabrics
8. **Turn sketches into styles** (Pattern Makers) by using neutral *toiles* so that the Designer can decide whether to put it in the collection or not
9. **Manufacture** the selected styles with the **matching fabrics** delivered from suppliers
10. **Select the manufacturers** on the basis of price offer, minimum purchase requested quantities and planned delivery schedules

# From Sketches to Garments / 4

- 11. Order yarns and fabrics.** By *end October* all the orders are placed for delivery in 6 to 10 weeks (yarns and printed fabrics are ordered much earlier, being deliveries longer)
- 12. Prepare the prototypes** (within *November*) so that the Designer can **match fabrics to chosen styles**
- 13. Record** the patterns details (coordinates) in the **CAD System** to make grading easier and to optimize cutting

The **components** of each style are recorded in an **ID form** (see [next slide](#)) which can be **connected to the sales outcome** in order to know quickly the quantities to be ordered for the production

# From Sketches to Garments / 5

Each style is identified by an **ID form** where are recorded the following information:

- ❖ **Fabrics' consumption**
- ❖ **Components** (thread, buttons, zips, lining, hooks, labels, etc.)
- ❖ **Labour cost** (in terms of minutes necessary to produce the style)

A special department called **Times & Methods** optimizes the manufacturing process in order to minimize production costs and times.

# From Sketches to Garments / 6

**14. Make the samples for the selling campaign** (within *December* both fabrics and finishings are available)

**15. Introduced the collection to customers who place their orders** (before or after the Show - typically between *February and March*)

The Collection usually includes styles and fabrics that are suitable for **reverted season countries** as well

**16. Place orders to fabrics and components manufacturers.** A first batch of orders is placed in *February*. The balance follows by the *end of March* when the selling campaign is closed. The **delivery is planned within 8 / 12 weeks**

**17. Produce the collection (May to July).** As an average, 90% of the sold styles are regularly put in production.

# Deliveries

The growth of a “**griffe**” largely depends on its “**look**” but what can improve its sell-out performances is the way the collection is delivered to the stores: **the earlier, the better!**

And the higher is the **sell-out**, the better are the chances that stores will increase their future purchase budgets.

A collection is introduced and sold by “**stories**” including matching **styles, fabrics** and **colour palettes**. As a result, the delivery has to be made accordingly.

This allows stores to **dress** the **windows** in a more appealing way and to **improve** the **sales** by offering well coordinated styles and accessories.

# Budgeting / 1

Fashion markets are complex open systems that frequently demonstrate high levels of '**chaos**'.

Fashion markets are characterized by:

- ❖ **Short Life-Cycles**

The product is often ephemeral, designed to capture the mood of the moment, consequently, the **period** in which it will be saleable is likely to be **very short and seasonal**, measured in months or even weeks.

- ❖ **High Volatility**

Demand for these products is **rarely stable or linear**. It may be influenced by the vagaries of weather, movies, or even by pop stars and football players.



# Budgeting / 2

## ❖ **Low Predictability**

Because of the volatility of demand, it is extremely **difficult to forecast** with any accuracy even total demand within a period...

Week-by-week or item-by-item demand expectations are almost a gamble.

## ❖ **High Impulse Purchasing**

Many buying decisions for these products are made at the point of purchase. In other words, the consumer when confronted with the product is stimulated to buy it, hence the critical need for 'availability'.

# Budgeting / 3

## ❖ **Strong Competition**

Today's fashion market place is highly competitive and the constant need to **'refresh' product ranges** means that there is an inevitable move by many retailers to **extend the number of 'seasons'** i.e. the frequency with which the entire merchandise within a store is changed.

In extreme cases, e.g. the successful fashion retailer Zara, there might be **twenty seasons in a year**.

The implications of this trend for supply chain management are clearly profound.

# Supply Chain

**Labor and transportation costs** often determine where production takes place. Outsourcing of all or part of the production process is very common.

Companies throughout the industry have to deal with **global sourcing problems** and need to re-evaluate regularly their sourcing strategies.

Production work is often done across **multiple places**, which may be also located in **different countries**.

Setting up of cutting, sewing, subcontracting and transportation, and the synchronization with raw material supply, is a **very complicated process**.