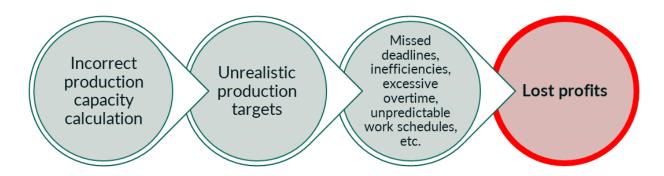
### SUPPLIER CAPACITY PROGRAM

## REVEALING AND RE-DISTRIBUTING THE TRUE COSTS OF PRODUCTION IN THE GLOBAL APPAREL INDUSTRY

In today's global apparel manufacturing industries, many suppliers are overwhelmed by the unpredictable demands of their international buyers. Short timelines and sudden order changes have become the norm, making responsible business management a major challenge for many suppliers—especially small and medium enterprises (SMEs). COVID-19 has hit these businesses especially hard, with brands cancelling or reducing orders and payments even while suppliers struggle to stay afloat in the face of a crisis.

### THE PRODUCTION CAPACITY PROBLEM



Most suppliers measure their production capacity using only a small number of the relevant metrics. Common capacity disruptions like worker absenteeism, supply delays, and production bottlenecks are often left out of the equation, leading suppliers to take on unrealistic production targets. This leads to production inefficiencies, excess demand on workers, and missed business opportunities.

### **PROGRAM GOAL**

SAI's comprehensive Supplier Capacity Program will help suppliers improve their production capacity planning, improve their labor and business practices, and connect with major brands that have committed to improve their purchasing practices.











### SUPPLIER CAPACITY PROGRAM OVERVIEW

### Understand factors impacting production capacity

- What factors have an impact?
- How can we quantify them?
- What are the impacts of brand practices?

### Create Production Capacity Calculator

- More accurately calculate and predict capacity
- Easily identify inefficiencies

### Tools and Training

- For suppliers to use the new calculator
- For brands to understand their impact and improve practices

# Develop an online platform

 Connect buyers and suppliers directly via an online production booking platform

#### **BENEFITS FOR SUPPLIERS**









# Improve productivity and performance

Gain a
comprehensive
understanding of
your production
capacity, improve
your production
planning, and
identify and
remedy
inefficiencies.

## Level the playing field for SMEs

Large-scale suppliers have departments and staff to solve productivity and brand relationship challenges. This project will give SMEs the same advantages.

# Improve brand purchasing practices

Participating brands learn about the impact of their practices on suppliers and commit to a buyer code of conduct.

## Showcase your commitment

Demonstrate your participation and improved performance to major brands. Suppliers gain connections with brand participants.

### **GET INVOLVED**

This project is FREE OF CHARGE for all participants. Participating facilities will gain access to trainings, tools, and resources, as well as brand exposure. There are multiple levels of participation which are outlined below.

### We are seeking:

- ✓ Small and medium apparel manufacturers
- ✓ In India and Bangladesh
- ✓ That have not worked with SAI or other organizations on a similar project

### Levels of Engagement

### Level 1: Stakeholder Consultation

 Complete interviews and surveys related to production capacity, supply chain transparency, and social compliance performance.

### **Level 2: Onsite Engagement and Training**

- Allow SAI to collect information on production capacity and social compliance.
- Participate in training and capacity building activities
- Access tools to improve social compliance and production capacity

### Level 3: Platform **Engagement**

- Inform the design of the online platform by completing surveys related to the platform and its features
- Full onboarding on to the platform

#### PROGRAM CONTACT

Learn more about this project and how your organization can participate. Contact:

#### India

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### Bangladesh

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