



## AO INTERVIEW: RAKHI HANDA

### “ENSURING TRANSPARENCY IN DOING BUSINESS IS A MUST FOR BUYERS AS WELL AS SUPPLIERS”

After working for more than 25 years with top home furnishing, apparel retailers and brands like Target, Levi Strauss, Polo Ralph Lauren, Steve & Barry's etc., Rakhi Handa is now consulting with a variety of organisations, not just apparel or quality, but also those working on business strategy and operations. In her last role, she was **Senior Managing Director, Product Safety & Quality Assurance at Target Sourcing Services** for more than 5 years. *Apparel Online* explores her phenomenal journey, her observations about Indian apparel and home furnishing manufacturing and sourcing scenario.

Rakhi describes her long career span as a journey of learning and constantly adapting one's mindset in order to stay relevant. To put it in her own words, “I would never be able to say I have 30 years

of experience and I know so much... I have learnt new things every step of the way – new methods, new technology, new ways of working. And the learning has come from many different people and sources; a critical component of my learning has come from my team.”

She further adds, “When I joined the industry, it was an era of sub-contractors, fabricators and press-pack shipments where hosiery T-shirts were stretched to meet the required measurement spec. Today, we are talking about Machine Learning (ML), Artificial Intelligence (AI) to predict risks, data and analytics being commonly used and sourcing product responsibly and ethically. One of the biggest shifts to have taken place is the importance that brands and retailers give to ‘how’ a product is made. It is no

longer about just shipping the goods to deliver.”

Regarding the perception improvement of the Indian exporters over time, she believes the biggest advantage that Indian exporters have is the ability to innovate and demonstrate flexibility. So being able to deliver unique, niche and value-added products has always been a USP of Indian exporters.

“I would say the gap remains in terms of the reliability of the supply chain – in terms of raw material as well as logistics (factory to port) requiring longer lead times. Indian exporters also probably continue to struggle with the perception of unethical practices such as double bookkeeping, excessive overtime and just generally ethical standards of conducting business,” she says.





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- Rakhi Handa

Rakhi is of the opinion that the pandemic has thrown up challenges as well as huge opportunities: on one hand, it has probably forced exporters/manufacturers to be more self-sufficient and less dependent on the brands/retailers for overall production management and quality. While some brands/retailers struggled and businesses were bankrupted in 2020, others thrived. So depending on who your customer was, you either lost business or you had to deal with a massive over-booking of orders. Either way, flexibility and innovative thinking became a necessity to survive. In that sense, it has been a good thing. “To me, the biggest challenge in 2020 and to some extent in 2021 has been the reliability of the supply chain and the ability of the Indian exporters to deliver on time,” she tells.

No doubt, quality has definitely improved over the years in the Indian apparel industry but she believes there is a gap

in how quality is managed. She strongly insists that quality has to be built into the product right from the time a product is designed. Manufacturers have to think about the design being manufacturable for bulk production. The industry needs to think about design for scalability. This continues to be a challenge where we often see beautiful designs that are created by the sample room, but then producing the same design on a mass scale becomes a huge challenge.

The other issue is that manufacturers continue to segregate production operations and the quality department. In order to build quality into the product, more focus must be given to how you set up a production line to prevent defects from occurring, rather than having a QC team who detects quality issues and filters these out, causing repair and/or rejection. This mindset has to change and the QC department has to be looked at as a monitoring agent rather than being responsible for the right quality to be packed. Right first-time preventive quality management is still a nascent concept from the perspective of implementation.

As some new buyers have entered the market in recent months, many of whom have not worked in India before, Rakhi underlines that ensuring transparency in doing business is a must – this has to be both ways, for manufacturers as well as the buyers. It’s always good to understand what went wrong with the previous source base and why is the buyer specifically moving in order to avoid the same mistakes/challenges. “Deliver what you promise – it’s always good to under-commit and over-deliver. And never get pushed into delivering something you can’t. Tough as it might sound, sometimes it’s good to say ‘No’ to business rather than failing to deliver. Your customer will respect you more,” Rakhi strongly avers and further adds that a lot of customers these days are looking for ‘sustainable’ products such as organic, recycled materials etc. It’s therefore important to be aware of what these actually entail and assure the supply chain.

## Interesting development on sourcing front

Currently, orders are full with most of the Indian exporters and interesting developments are taking place on the sourcing front also.

s.Oliver Group, one of the largest German fashion companies, has entered into a strategic partnership with Techno Design GmbH (‘Techno Design’), a group company of PDS Multinational Fashions Limited. Techno Design’s associated company in India will acquire s.Oliver Group’s sourcing operations in India, S.O.T. Garments India Private Limited (‘S.O.T. Garments India’), a company based in Chennai, from the s.Oliver Group via share purchase agreement. Techno Design’s associated company will take over all employees and contracts of S.O.T. Garments India and shall exclusively source textiles in India and Sri Lanka for the s.Oliver Group. This partnership has the potential to translate into an annualised c.\$50 million (c.Rs. 375 crore) sourcing opportunity. s.Oliver Group is a German fashion and lifestyle company headquartered in Rottendorf that sells apparel and accessories, as well as different license products like shoes, jewellery, fragrances and eyewear with a presence in 40+ countries, and annual revenue of €1.24 billion (2019). “India is an important sourcing destination and through this partnership with Techno Design we truly aim to strengthen our sourcing from India and fully leverage the potential of the market,” said Oliver Hein, COO, s.Oliver Group.

*Patagonia, a US-based well-known fashion brand, has sourced nearly 30,000 metres of khadi denim fabric worth Rs. 1.08 crore for its apparels from India. Patagonia carried out a strict assessment of various aspects of manufacturing khadi denim such as spinning, weaving, carding, dyeing, wage payments, age verification of workers, etc., at a khadi-making institution in Gondal of Rajkot through a global third-party assessor before placing the order.*